REPORT OF THE

Ontario Youth Commissioner

1986

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Introduction

I was appointed Ontario Youth Commissioner more than two years ago, in May 1984. A few months earlier, the worst recession since the 1930s had statistically ended and economic recovery had begun. But the impact of recovery on unemployment was proving slow and disappointing. More than 184,000, or 14.9% of young people in the Ontario labour force aged 15 to 24, were out of work. In its 1984 Budget, the Ontario government decided to focus on youth unemployment: increasing expenditures, introducing several new youth employment and training programs, and creating a new position, Ontario Youth Commissioner, to co-ordinate and oversee these and other youth programs. This Report, which coincides with the end of my term as Youth Commissioner, is intended to share the lessons learned during these two years, and to offer some suggestions for the future.

I have chosen in the Report not to focus on youth programs, provincial or federal. My advice to the government on these programs is largely reflected in the changes which have taken place in the last two years, and I have little to add. A single Ministry (the Ministry of Skills Development) has been created to take in training programs orphaned in Ministries with non-training mandates, to make training its own first priority. A confusion of youth programs has been brought together into *one* program, FUTURES. The focus on "disadvantaged" youth has been maintained and strengthened. The issue, however, is not the administration and delivery of youth programs. It is youth unemployment. And the real questions are—how are we doing, and why are we not doing better?

Though unemployment has traditionally been the domain of economists, I have also chosen not to approach the Report as an economic treatise. I am not an economist. The Macdonald Commission Report and other studies have provided more depth and detail from an economic perspective than I can offer. That is not the point. High unemployment rates in the past decade, high unemployment rates forecast for the decade to come, have brought enormous and lingering

hardship. To the economist, this is evidence of underlying economic problems. Unemployment is a *symptom* of these problems. It is the "residual", the result of macro- and micro-economic factors and policies which have not been manipulated to proper effect. In this view, the need is not to treat symptoms, but to manipulate these policies more effectively. If you can solve the problem, the symptom will disappear.

This can take time. To the economist, however, time is not the enemy. It is getting from point A to the desired point B—it is setting a proper course, and staying that course—which counts. The Macdonald Commission attempted to set such a course. It offered an economic blueprint for the future. But with the mandate and luxury of a 10-year time frame, it could avoid the sense of urgency of day-to-day life. It is this absence of a sense of urgency which, to me, limits both the Macdonald Commission Report and the economist's perspective.

For time is fundamental. It can be *the* issue. High unemployment is now in its second decade. Time is passing. Life is being lived; the unemployed are mostly still unemployed. What does the passage of time mean? If it takes longer to move from point A to point B, should we rethink unemployment, and deal with it differently? Can the nature of a thing alter if getting from point A to point B is harder, takes longer, is less certain, and comes at a higher price? Indeed, does there come a time when a symptom should be understood and treated as a problem? When the price—in numbers unemployed, fundamental social myths at risk (the sense of opportunity, the absence of class division etc.)—is so great that *direct* policies become necessary? When enough time passes that the economic equiiibrium seems not to be at the end, at point A or point B, but along the way? When it seems that unemployment should be addressed in just such a fashion?

I cannot accept the view that the unemployed are residual, a symptom to be dealt with symptomatically. It is not enough to sit back and wait for time and *unemployment-related* policies to heal. Too many people are paying too big a price. Unemployment should be addressed directly.

The economist's perspective on unemployment is important. But there are other, indeed necessary, perspectives which also deserve consideration. This Report attempts to provide one such perspective.

The Report is divided into three parts. Part I deals with the nature of unemployment, its historical roots, how unemployment has been understood, and how that understanding has changed. It offers data comparing present and past; it focusses on the individual and examines unemployment's enormous personal and social costs; it cites unemployment forecasts to indicate what the next decade might bring.

Part I also deals with the policies and programs which have been

implemented to counteract unemployment, and the basic attitudes, public and political, from which these policies and programs emerge. Education and job creation programs are highlighted. The impact of economic growth on unemployment is discussed. Reference is made to the employment attitudes and needs of employers and youth, to unemployment insurance, and to the effect of overtime work and shorter work hours. Unemployment and training policies and programs from other countries are also examined.

Part I attempts to bring together all the pieces of the unemployment debate to make clear what we are doing, and what we are *not* doing. To add up the effects of all these pieces, draw a collective bottom line, and compare the results with the problem at hand—to find out just where we stand. And to suggest where we are going.

The message is disturbing. Unemployment figures in Ontario and Canada are historically high and will remain high for at least the next decade. Policies and programs implemented to deal with unemployment—unemployment insurance, job creation programs etc.—were meant to meet short-term, temporary needs, until a recovering economy generated the jobs necessary. A longer, deeper recession, demographic and cultural changes, and new technology have put greater pressure on the labour market, and the economy's job creation engine cannot keep up. The needs of the unemployed have become long-term and on-going, the policies and programs to deal with them increasingly inappropriate. Job creation programs enhance productivity, effect greater equity and make people more employable, but create few new jobs.

Part I poses the question, "Is this good enough?" The answer begins, "It depends—what is our real unemployment goal?" The public, by opinion poll, states continuously that unemployment is its number one concern. Governments respond with policies and programs which can bring down unemployment rates, but only slowly, and in a limited way. Is the goal then full employment (however defined), or is it only more employment? The answer is crucial, for public-political expectations, perceptions, commitments made, actions taken, the need to do more or less—the results themselves—all depend on it.

Part I makes the point that full employment does not hinge on the next policy or program, but on the existence of a social consensus for full employment. Once, near full employment was the by-product of a well-running economy, and no express consensus was necessary. Now, to achieve full employment requires a choice, and the will to do it demands broad consensus. Illusions and confusions about unemployment, about what we are doing and what we promise to do, distract the willingly distracted into hopeful and easier, but fruitless directions, and get in the way of consensus. For if a little more and a little better of the same,

and a strong economy, can generate full employment, all the better. But they will not.

Part I does not focus particularly on youth, or on Ontario, or on policy or program changes that might be marginally beneficial. It stresses that the issue is *not* employability or economic growth; it is not technological change or even employment itself, though each is a tantalizing distraction. *The issue is unemployment.* To do better, Part I concludes that there must be a clear understanding of where we stand, and out of that an expressed public-political consensus on an unemployment goal—on where we want to go. It is only with this as the essential starting point, that any real unemployment gains can be made.

Part II takes a lateral step. It looks at the current and future labour markets, and suggests how we can best prepare young people to fill and perform the jobs that are *available*. It should not be understood as a blueprint or companion-piece for Part I, except to the limited extent that unemployment is the result of inadequate or mismatched skills. It stresses that *employability and employment are not the same thing*. Simply put, one may be capable of doing a job, but have no job, because none is available. Moreover, a skilled person does not turn an unskilled job into a skilled one. There are, and will continue to be, many unskilled, mostly unwanted, jobs in the economy. But better education and training can help make more people *competitive* for the jobs, and the skilled jobs, that are there, and make the economy more productive in general; which, in turn, can make more jobs, and better jobs, available. Employability, productivity and equity are important employment issues in their own right, and Part II shifts attention to them.

Part II looks to the future and finds hints of the work skills which will be needed. The rapidly accelerating pace of change will require people to have more adaptable skills and attitudes, to be better able to deal with change. Increased use of technology will mean less physical labour but the need for greater conceptual and numeracy, analytical and problem-solving, skills. Jobs in manufacturing will continue to be taken over and lost, pushing more and more people into service jobs, with the kinds of personal and group skills those require.

These and other changes, of course, mean that institutions which prepare young people for the future must also change. A mass education system geared to the needs of a mass production economy, now past, must adapt to the needs of an increasingly knowledge-based economy. This system must be directed at all students, for all are entering the same future, but for reasons of productivity and equity, and because of past neglect, special priority should be put on preparing those students who year after year drop out of school in such high numbers.

Forty per cent of grade 9 students in Ontario do *not* graduate from

grade 12; 76% do *not* graduate from grade 13; only 31% go on to college or university. This does not include those in private schools or those who return to school as adults.

In Ontario, 19.4% of non-students 15 to 19 were unemployed in 1981 (the last year for which there are data on 16 year olds). But for 16 year olds, the figure was *35.0%*; for those 17, *27.5%*. (For 18 and 19 year olds, it was 17.4% and 15.6% respectively).

The drop-out pays a price. More often, he or she is unemployed; where employed, most often it is in an unskilled or "dead-end" job. There should exist a more productive way, personally and socially, to spend the late teenage years.

Part II continues a discussion of the education system begun in Part I. The school is the main way by which our society socializes, trains, orients and prepares young people for the future. Schools offer a well-marked, well-travelled, highly desirable route to that future. Teachers, counsellors and parents, who have shared that route, act as its guides. Elementary school connects to secondary school connects to college or university—connects (more likely) to a job, a higher skilled and better paying job. And all along the way, *within* the system, there are goals to shoot for—a diploma, a degree—recognized and desirable, a source of pride, a record of achievement.

But also along the way, many drop out and reach none of these goals, and most reach only one. What then becomes their new goal, their new route to a job and to the job they want? And who is there to guide them?

The questions begin before a student drops out. The student gets streamed this way, or that; the messages become clearer. *Within* the education system, there seems for them but one goal—to reach 16 and get out. The system retains responsibility for those who stay within its walls. Once they reach the school-leaving age, and leave, the responsibility ends. These kids are often the hardest to deal with. They require more time, more effort, more patience, more of the resources of the system. Yet if they leave, the system's responsibility is at an end, and the price it pays is small. The psychology is wrong. The incentives and disincentives present conspire against success. In short, Part II suggests that by its structure, the education system encourages success in the successful, but reinforces failure in those who are not.

These young people need a goal *within the system*. The system needs a goal for these young people *within the system*. Something constructive, that makes sense, that leads to something and to something else and offers them a real *sense of opportunity*, that rewards the time and effort required to make the needed difference.

Part II points out that society makes an enormous financial invest-

ment in young people who stay in the education system. It suggests a similar financial commitment should be made to those who would leave. Governments provide a variety of programs—job creation, training, counselling etc.—for those who drop out. In disproportionate amounts, they also pay the financial bills of these young people in increased welfare costs, health and public safety costs, in foregone tax revenue.

Part II suggests something more constructive. It proposes an education/training system, much like the German "dual system", which would provide two years of academic and on-the-job training at school-leaving age (when unemployment rates are highest) for everyone who wants it. The system would be linked to the high school curriculum and to further training, apprenticeship or college programs. Importantly, it would be *the responsibility of the education system.*

Part III brings together many of the items discussed, and offers some conclusions and recommendations.

One final point. This Report spends much time pointing out the limitations of job creation programs, and is critical of the way we educate and train the non-academically oriented student. Many people in Ontario are involved in counselling, preparing and training young people; in vocational and co-op education programs. Their work is not in the employment or educational mainstream. It does not carry with it the glamour and prestige of high-tech, or work with gifted students. In short, if you do this work, you must believe in and care about what you are doing. Some of these people may take personally comments actually directed at the bigger issue. Others may target them as the problem. This would be unfair and unfortunate. We are doing less than we should in Ontario about unemployment and training. If it was not for these people, we would be doing and achieving far less.

Indeed, my purpose in this Report is not to allocate blame, but to broaden understanding. The locus of blame is always central to a problem, and therefore essential to the process of repair. Anyone blamed will also incline to fight back, the devil's advocate in him or her aroused, and may even put obstructive energy into the path of change. The real point is, surely, what are we going to do now.

PART 1

Unemployment

I have found unemployment to be an elusive problem. It is from one standpoint an individual problem, born of inadequate education, training and skills, of unrealistic expectations and attitudes to work. It is also a social problem, part of a tangled web of life circumstances—family income, family structure, nutrition, health, housing, level of education, and so on and so on—that stands in the way of opportunity. Unemployment is, in part, an institutional problem, affected by programs and policies—unemployment insurance, minimum wage and others—which provide important social benefits, but at some employment cost. It is a problem of demographics and culture, involving issues as varied as immigration, migration and the baby boom; increased participation of women in the workplace; an historic employee mentality in an age of small business and entrepreneurship. It is a problem of where you live and where you come from, of northern and southern Ontario, of race and ethnicity. It is a global problem, tied to fiscal and monetary policies in Washington and Tokyo, something that seems beyond us if it is beyond them. And it is a systemic problem, a product of our economic system, that worsens from time to time, and improves, but never goes away.

It is a problem that admits many answers—individual, social, institutional, cultural, regional, global, systemic answers. Answers to the big picture and to the small, to unemployment as an issue, and to it as a crushing problem for just one unemployed person.

It is this sprawling, complex quality which, in part, makes unemployment so elusive. Like a balloon, we grab one part of it—it bulges out somewhere else. How do we get our hands on the problem to deal with it properly? In time, after anger, frustration and resignation have passed, it becomes tempting to cut through its complexity to simple personal experience, to one vivid anecdote—the kid who wants to start at the top; the PhD selling door to door—to characterize the problem, and let the anecdote tell the story. This is what unemployment is; this, therefore, is what must be done. But while offering temporary satisfaction, this kind of simplification only serves to render the problem even more elusive.

Coping with Unemployment

Unemployment is also bad news. It may be bad news for all in some ways that can be explained and that we can understand—a loss of output to the economy, a lower quality of life for everyone—but these are not things the public often associates with unemployment. Mostly, unemployment is bad news for a few, for others. And if it is someone else's bad news, few want to share it and deal with it for long. So we find good news in its midst—the unemployment rate is down to 9.7% nationally; ten or twenty young people in Simcoe or Hawkesbury have started their own businesses. The good news is real, good things are happening. We need good news to encourage us to do more. But good news can also distract and mislead, and make us do less, for perhaps less is all that is needed. The glass that is half-full is also half-empty. Bad news, by nature, is elusive, because we prefer to have it so.

And so is difficult news. It is one thing to have a problem; it is another when the problem, like unemployment, is hard to deal with. Further, if the public expects government can deal with the problem, indeed believes it is government's job to do just that, and government does nothing to dissuade the public of that view, but cannot deal with it, at least to the extent and in the ways expected, what then? The response is predictable. As any psychologist would say, a person or institution, government in this case, will find a way to cope. And the rule of thumb for coping is that when you cannot change something, you change how you perceive it. Is the real goal then to *solve* the youth unemployment problem? Or is it to manage and control the problem and employ more youth? They are not the same thing. Is it to do what seems practicable, or to do what is necessary? It is never quite clear. The public is looking for solutions. The politician responds with programs, policies and money that make things better—but which are not solutions. And the questions dance by each other unasked and unresolved. Answers are avoided; the problem eludes us.

There is a phrase psychiatrists use to describe the inability of people to let themselves feel the things which understanding the human predicament might cause them to feel. The phrase is "nuclear numbing." Its roots lie in the arms race. In such cases, people "avoid acquiring information that would make vague fears specific enough to require decisive action," and "they contrive to ignore the implication of the information they do allow to get through."[1] It is what happens, it seems, individually and collectively when we deal with any difficult, apparently intractable public issue—poverty, racism, unemployment. We avoid

1. Goleman, Daniel *Vital Lies, Simple Truths* Simon & Schuster (New York, 1985), p. 19

information and its implications in order to avoid taking the necessary action—the truth may set us free, but it can also cause a horrible mess. It can cast doubt on fundamental myths and attitudes. It can make certain uneasy questions about ourselves and our society hard to avoid. It brings forward an uncomfortable choice—painful change or (with newly "acquired information") less complacent status quo. Avoidance and illusion come easier and are cheaper, at least for most.

Understanding this aspect of human nature, recognizing the public and political blindspots—these are central, I believe, to understanding what we have done about unemployment until now, why we have not done more, and why unemployment remains so elusive a problem.

A Recent Phenomenon

While idleness has been present in most times, unemployment as we know it is a comparatively recent phenomenon, a product of the industrial revolution. Until then, people worked according to the rhythms of their natural environment and culture. Work was done outdoors, was primarily agricultural, and moved to a natural time clock. The seasons determined the work you did, and what you needed to do determined how long you spent in doing it. It meant binges of work, in summer usually, mixed with binges of leisure, usually in winter. For most, the fruits of this labour were meagre and living circumstances were far from idyllic. Yet except for periodic natural disasters, the rhythm of work and people's connection to it were predictable and secure.

Moreover, many people were craftsmen as well as farmers, and in times of unforeseen or foreseen idleness they could turn to their other vocation to sustain them. For the majority who had no property and were not self-employed as artisans, there were also built-in cultural protections. Workplaces were small, employers and employees were often friends or family relations. In slack times, these personal bonds represented formidable obstacles to job layoffs, and made them less likely.

In North America, there was also one final, all-encompassing protection—the frontier. Arable, available land lay to the west, in perpetuity it seemed, ready to absorb the idled.

But in North America in the nineteenth century, things began to change. A growing population meant greater pressure on the land. Non-agricultural jobs became more common and work more specialized. Industrial processes and large-scale manufacturing grew; the place of the part-time artisan diminished. Gradually a market economy began to overwhelm and overturn the existing economic and social order.

In response, people moved to the cities, leaving behind the land and its cushion of sustenance and independence; leaving behind families

and friends and the strong social network of support they represented; leaving behind a life of self-employment to become employees. The city brought new opportunities, but changed their circumstances fundamentally.

As employees, they were now dependent on others for their employment. In bigger workplaces, this meant people more distant and isolated, neither friends nor relatives, with whom they had few personal bonds. Work was more often done indoors, separate from the rhythms of the seasons. Performed to an artificial clock, it could be scheduled and regularized to certain hours of the day, certain days of the week, twelve months, four seasons a year, set to a pace, done in a style, determined by someone else.

But most importantly, as employees they lost control over whether they worked at all. In slack economic times, their cultural safeguards gone, employment now could, and often did, turn to unemployment.

Yet, expectations were also changing. Long stretches of work and leisure no longer seemed parts of the same continuum. Employees came to expect steady, full-time work. Indeed, without property and other buffers of support, they *needed* full-time work and felt entitled to it. Employers, on the other hand, also had changed expectations. They had resisted layoffs in the past because of cultural constraints and the fear that trained workers, laid off in bad times, would not come back as needed when economic times improved. But the workplace was now bigger and less cozy, and industry's needs were increasingly for less skilled workers. Immigrants who could meet those needs were arriving by the thousands, creating a pool of available and unemployed labour which could be drawn on as circumstances required. Employers found they could now lay off workers in bad times, be protected for good times, and feel few pangs of remorse. The nature of work and the workplace had changed. Steady work, while more and more necessary for those who worked, had become less reliable.

By and large, these circumstances, with roots in the nineteenth century, still apply today. Some perceptions about unemployment, however, have changed. There always existed people who could not work. Those who could, sometimes changed jobs, with periods of idleness in between. Beyond that, unemployment had seemed an anomaly, the function of a temporary economic downturn which, when the economy improved again, would eventually go away. Yet each time the economy turned down, then recovered, unemployment went down, *but did not go away*. Indeed, it stayed as a persistent feature of an economy which by other measures was running strongly and well. Unemployment, it turned out, was *normal*, a product of the regular functioning, not malfunctioning, of the economy. Unemployment was, in fact, systemic.

So too were the recessions that from time to time brought severe unemployment. Perhaps at first they seemed exceptional, without pattern, and avoidable. They were, in fact, none of these things. Recessions, it turned out, sometimes stronger, sometimes weaker, were also part of the cycle of a regular functioning economy.

These uncomfortable truths, now accepted by economists, were never quite publicly accepted. For individual failure is easier to live with than systemic failure, especially if you are one of the employed majority: it means a lesser sense of guilt and responsibility. Moreover, if employment is a function of individual worth and achievement, and not circumstances or chance, success can be taken personally, with the accompanying psychological rewards. It is only in times of recession, when family or friends lose, or fear they will lose, their jobs that the unemployed come to be seen as much victims as villains. Yet such feelings are always subject to change, for resentment of the idle is rarely far away.

These perceptions are critical. How you understand unemployment affects how, and with what will and urgency you choose to deal with it. If you see it as an anomaly, you might deal only with its periodic symptoms. If you see it as systemic, depending on the urgency and opportunity you feel, you might focus on changing the system to try to eradicate the problem once and for all. Or, accepting the system and/or the inevitability of the problem, you might plan ahead with policies and programs for its inevitable worsening day and focus on its additional symptoms in order to manage or control it.

Seen as an anomaly, the unemployment problem, historically, brought responses which came late, as crises arrived, and with economic recovery, programs were soon cut back or dismantled. There were frequent calls for restrictions on immigration, shorter work weeks, and labour exchanges to make the employment system more efficient. Companies exhorted, and were exhorted, to better management and fewer layoffs, to the good sense of a stable, contented workforce. Voluntary and church groups offered various additional supports. Employees were encouraged to follow the dictates of the market, to change jobs and accept lower wages, to move as necessary to find whatever work was available. Government, in time, became the countercyclical employer, spending to create jobs in difficult times, providing a safety net of services and support, acting as insurer for the unemployed when no jobs were found. But underlying this effort, the governmental mood was never far from ambivalence. The needs of the unemployed may have been clear. But was their unemployment due to systemic or personal failure? If personal, should government reward and encourage this failure by providing support? And even if the failure was systemic, by providing necessary support to the unemployed, was the government not running the risk of

creating dependency?

The most neutral, the most positive and hopeful, the least painful, approach to unemployment has always been by way of economic growth. If the economy expands, the argument goes, each piece of the economic pie gets larger, and more pieces can be cut. No problems of redistribution from haves to have nots, no lowest common denominator solution, no huge burden of government spending for job creation or unemployment insurance, there is simply more for everyone, including the unemployed, through the better functioning of the economic system. This view picks up steam in periods of recovery when economic growth and unemployment rates move dramatically in opposite directions. At such times, it seems the lines on the graphs might continue to diverge indefinitely. But they do not. Historically, economic growth has helped but never *solved* the problem of unemployment. And with the implementation of radically new technologies, the correlation between growth and jobs seems now much weaker.

Today, we are a society even further separated from the land and from each other. Our cultural protections are long gone. The culture of the workplace is business, our protections come from legislation and negotiation. And unemployment remains. It brings with it the same paralyzing debate—whose fault is it? the individual, or the system?—the same actions and responses to it muted by ambivalence and sense of inevitability; with the same results—in time, this too shall, and mostly does, pass. High unemployment seems like a cold that lasts a week. Its cure? Stay in bed, take aspirin, drink plenty of liquids, and it will be gone in seven days.

But has the problem changed? Is the price of unemployment now higher? Is the cure required more difficult, or at least different from before? Are our *perceptions* right?

Let me tell you where I think we stand.

What the Numbers Say

In 1985, the average unemployment rate in Ontario was 8.0%. For youth, it was 13.2%. This compares with 10.4% and 17.8% respectively two years earlier. It also compares with dramatically *lower* figures little more than a decade before and in decades before that. Indeed, rates just 20 years ago considered unthinkably high, seem unthinkably low today. Such is the effect on expectations of our rapidly changing realities.

Yet Ontario is doing comparatively better than all other provinces in Canada, and far better than most. In 1986, Ontario's unemployment figures have fallen even further, to 7.1% in September (11.9% for youth). In Toronto, the overall rate was 6.0%, in London 4.9%, in Kitchener-

Waterloo 4.8%. The comparable figures in September for Canada, as a whole, were 9.5% (14.2% for youth).

What this tells us is that we are doing better now than at any time in recent years; and worse than in most years before that. It is telling us good news, and bad news. The good news, 7.1%, is *relative* to the rest of Canada and to unemployment results since 1981; the bad news is *relative* to historical rates, and in *absolute* terms. Indeed, it is the clear downward trend to unemployment rates which generates the sense of good news. Separated from that trend, standing alone, 7.1% to most represents only further bad news.

This discussion points up an important problem about perception. Earlier this year, two Toronto newspapers reported predictions for the Canadian economy over the next decade by the Economic Council of Canada. The headline in the *Toronto Star* read, "Inflation, jobless rate expected to decline" (the story's lead paragraph began, "In a rosy new package of predictions..."); in the *Toronto Sun*, the headline for the same story read, "A gloomy five years for jobless." Which is right? In Ontario and in Canada, we are at a dangerous stage. Things have improved, and in a political and problem-filled world, there is always a great incentive to claim victory and move on to the next problem. But what is the real unemployment message in these stories? It is how we answer that, it is our perception of the problem, which will determine our priorities, and the strength and commitment with which we deal with them.

Before perceptions are set, it is worthwhile to note some of the things the above figures do not tell us. They do not tell us, except by implication, that if the unemployment figures for Toronto, London and Kitchener-Waterloo are comparatively low, those for some parts of the province, in the north and east particularly, are comparatively and disturbingly high.

These figures also do not tell us the good news that nearly one-third of unemployed young people are *students*, in school full-time, but looking for and unable to find part-time jobs; that a further nearly one-half, no longer students, have nonetheless been unemployed *less than* 14 weeks. In short, they do not tell us that the burden on more than three-quarters of unemployed youth is relatively small. Nor do the figures tell us, however, that the remaining young people, fewer than one-quarter of the total, are non-students unemployed for lengthy periods of time with serious implications for their futures; nor that those on government programs (who have no permanent job), and those who have given up looking for work, are not included in these unemployment figures.

Moreover, these figures, coming as they do in percentages, reflect small fractions of the whole, a rather sanguine story. They do not tell us

the same story in real numbers and real people, the rather less happy and more dramatic story of 140,000 youth unemployed on average in 1985. They do not separate the trees from the forest, to bring the problem down to just one person, and the impact of unemployment on him or her.

Its Impact

And what is that impact? What is the price of youth unemployment? It is a price that is often hard to see. Because it is hard to see, it is something often minimized and overlooked, and therefore often exaggerated by others in turn. It is a price paid by the unemployed, and the employed, and by those in school who are only just planning their futures. In some cases, the price is mere inconvenience, not much different from other problems all of us face, and a fact of life. Sometimes, the price is positive, at least in the long run, paid in a greater sense of reality and discipline. But usually the price is more severe.

For those still in school, it is paid in the form of changed attitudes and feelings. It can be seen in the need young people feel to grow up sooner, rejecting clubs and teams and other extra-curricular activities for part-time jobs, to get experience, to compete; to find a direction, having only just glimpsed one crowded corner of the employment map, and a definite job path.

For others, it is paid in the frustration of a future postponed. Perhaps our most vivid image of frustration is a riot. Youth taking to the streets, throwing rocks and bottles: a riot is the tangible evidence when things have gone too far. Yet when no rocks get thrown, we hope it means the problem is not so serious. It means no such thing. Rock throwing has little to do with depth of feelings, and a lot to do with *how* we express ourselves. People from some cultures throw rocks; Canadians, so far, do not. But for many Canadians the frustration of unemployment, born of a life and lifestyle removed from their hands, is real.

It is a price also paid in the sense of a diminished future. Today, we find generally an employer's market. For most available jobs, an employer has more than enough people to choose from. The employer can be selective, demanding experience and credentials. Each applicant is, and comes to feel, less important, less special, less relevant. For these applicants, there is greater competition, more frequent rejection, and often lower self-esteem.

Even for the successful applicant, there is a cost, as the next job step for him or her becomes more difficult. For hard work and doing a good job may earn you a chance at a promotion, but each rung on the ladder is new and unexperienced territory. And in an employer's market, who gets the job—the existing employee, or someone new who has

already worked on that rung before? High unemployment brings with it a sense of loss of opportunity, loss of upward mobility, what one psychologist calls, "a loss of dreams." And how do you measure the price of that?

There are other things, too, for which the price is more tangible, if no easier to measure. It is paid in the form of the unknowns and unknowables of social science. Since the recession, there have been increases in alcohol and drug abuse, suicide, prostitution and crime, things that seem consistent with the impact of higher unemployment, and with personal experience. But causality is hard to prove, and correlation, since uncertain, usually incites further study, rather than action. Yet each such correlation brings with it huge additional social costs—in health and hospital care, housing, crime prevention and public protection, etc.—dollar costs, quality of life costs, that directly or indirectly each of us bears. Together these correlations are like the underwater seven-eighths of an iceberg. Hidden, they go almost unnoticed, except by those who come close enough to see, but the damage they cause is immense.

And there is, of course, the loss of work itself, which means many things. It is through work that we earn income and meet many of our concrete, day-to-day needs. A loss of work means a loss of income, a threatened lifestyle, a loss of many of the tangible things—a car, new clothes—that money can buy; and of the intangible, psychological needs money can provide for—economic security, economic success. Nor does the role of work end there. Work is a place to go, a meeting place for associates and friends, a reason and a way for people to interact. It is something to do, that uses up time and makes us busy. For some, work is a way to measure accomplishment and achievement, to earn prestige and gain self esteem; to feel satisfaction.

Moreover, in materialistic times where objects are used more and more to define us, it seems you *are* what you *have*. And in self-directed, career-oriented times like ours, it also seems you *are* what you *do*. Work is central. It is the main tool to secure what you have; it is much of what you do. For many, work is perilously close to identity itself. And for them, loss of work means loss of self, at least a little, and maybe more.

A few years ago, I was in Edmonton speaking with a man who had grown up in the Maritimes. He said that while youth unemployment was high in Alberta, it was still lower than in the Atlantic provinces. Yet, its impact on Albertans, he said, was far greater. He said that people in the Maritimes were much more accustomed to unemployment. Laid off from the mine or the plant, people went fishing. There was nothing they could have done to save their jobs. It was the way things happened, and their family and friends understood, and helped if help was needed.

It meant that they would have to do without a new car or new clothes, but such was the nature of life in the Maritimes. It was the trade off that was imposed on them for living there.

In Alberta, he said, it was different. People were not used to unemployment. When it increased, they took lay-offs as an indication of personal failure, and so did family and friends. Material things were much more important to them because, with well-paid jobs, they had been able to lead a material life. And now, unemployed, feeling material things taken away, they could feel a part of themselves being taken away too.

At any one time, unemployment directly affects only one out of fourteen people (approximately) in Ontario's labour force. Yet its impact is so great that more than three years into an economic recovery, it remains the most important problem facing Ontarians, and Canadians, according to a Gallup poll in June, 1986. Indeed, concern expressed over unemployment was more than twice as great as that for high prices and inflation, the next ranking problem. How is unemployment likely to change over the next decade?

Forecasting the Economic Future

Economic forecasts are inherently speculative and, with many important unknowns, are subject to substantial margins of error. Still, they offer the best assessments of the economy available to us. In January, 1986, the Economic Council of Canada predicted that unemployment nationally would fall from 10.0%, its January level, at a rate of about one-fifth of one percent a year (a little faster between 1990 and 1995), until reaching 7.6% at the end of 1995. The Conference Board of Canada, addressing 1986 only, suggested the year-end rate would be 9.4%, slightly lower than the 9.6% rate predicted for the same period by Finance Minister Michael Wilson. Wilson further forecast that unemployment would reach 9.0% by the end of 1987. In the course of its deliberations, the Royal Commission on the Economic Union and Development prospects for Canada (the Macdonald Commission), in 1984 asked four forecasting groups for their unemployment projections until 2000. Their predictions varied, but averaged a rate of 9.7% for the period 1984-1990, and 7.5% for 1990-2000. (In 1984, the average rate of unemployment nationally was 11.3%.)

Certain qualifiers should be added to the above. The economy has performed better than even the latest of these forecasts projected, with unemployment in September, 1986 already lower than most forecasters had predicted for 1986 year-end. These projections were made for Canada, not Ontario, and Ontario's rates in recent years have been significantly

lower than national rates. Moreover, the forecasts are only best estimates, and vary themselves from one to another.

The predictions reflect the impact of changes foreseen and already happening in the economy—the inexorable move to a world economy, the sense of desperate screw-tightening pressure to compete; the new technologies, new industries, new and different jobs that will emerge as a result. According to the Macdonald Commission Report and the Ontario Task Force on Employment and New Technology, such changes, historically and over time, have not resulted in fewer net jobs, and are not expected to in the future. Other changes, which come in their wake and which do not affect total numbers, however, are not reflected—the need to change jobs more often, sometimes to move to different towns or cities for new jobs, the need to be retrained; the changed nature of the work itself, the wages paid, whether service, industrial or manufacturing sector jobs, part-time or full-time.

Still, qualifiers and explanations aside, the economic forecasts together offer a fairly distinct and common picture. Unemployment rates will continue to move down, but only slowly over the next decade. By 1995, rates will still be high in historical terms, more than 7.0% for the twentieth consecutive year and, except for 1976, higher than in any year since 1940. In short, unemployment will remain a serious problem in Ontario and in Canada. What then do we do?

Employment or Employability

The polls, the words of politicians, media, and the public in general, speak of the critical need to act. Governments at all levels have increased expenditures since 1984 for employment programs. Why are we not doing better? Studies have been initiated. Early studies, notably the Macdonald Commission Report, brought on by a downturn in the economy, begin with a focus on the economy in general. But in the glare of the unemployment spotlight, certain specific elements of the job equation—youth, employers, educators, trainers, government policies and programs—have been highlighted and hived off for separate examination. What has been learned?

There have been studies on the employment *supply* side, on workers themselves. Studies of youth, youth's attitudes and expectations generally, and as they relate to work; of institutions that deal with youth and prepare youth for work—the education system, its goals and methodologies, guidance and counselling, core curriculum and special programs; the training system, institutional and on the job, who trains and who does not, and why; and those in the middle—counsellors, social service providers, job program people—who deal with the transition from school

to work.

There have been studies on the employment *demand* side. Of employers, big and small, their experience working with youth, their expectations for the workplace—the number of full-time and part-time jobs, the amount of job sharing and overtime, the impact of new technology—their needs now and in the future.

There have been studies focussing on government policies—unemployment insurance, overtime, etc.—and on policies and programs of other countries to broaden our knowledge and suggest new ideas. And as each segment of the job equation gets highlighted, not only government studies follow, but often ones initiated by groups or organizations associated with, represented by, or in some way connected with each of those segments.

Much has been learned. And as with anything, the closer you look, the more things wrong you find; and the more it seems that by doing those same things a little better and bigger, you may have found the answer to the youth unemployment problem.

Studies of youth cover slightly different time periods, sometimes focus on different sub-groups (students or non-students), and use questions often worded in different ways. The studies are, therefore, easy to distinguish one from another, yet from them collectively, a useful profile of youth emerges. Youth express strongly that work is important to them, much preferable to receiving unemployment insurance, and that such symptoms of work done well as career and success are important too. Youth feel themselves willing to work hard and to "start at the bottom" (though they are less sure their peers feel the same way), but consistent with youthful romance and expectations, can be selective about the kind of work they will do. They place a higher value than adults on the intrinsic elements of work, on its inherent worth and the personal satisfaction it provides, a higher value than some employers may find realistic. But the profile which emerges is largely positive and predictable. Most of the attitudes and values expressed which may cause youth problems in the workplace, seem tied to age and inexperience (as, correspondingly, are wages to balance the equation), and are in the nature of youth, which time itself, perhaps time alone, will cure.

Studies of employers and of their attitudes to youth, however, suggest something more problematic. Despite predictable variations, the central message is the same. For entry level jobs of various categories (e.g. general labour, skilled labour, managerial/professional/technical), employers place the greatest value on attitude and commitment to work, personal characteristics (e.g. punctuality, appearance) and basic skills (e.g. language, spelling, grammar). Level of education, experience and specific skills were considered significantly less important. Yet in applying

these standards to youth in general, employers were only moderately satisfied with youth attitudes and personal skills, and dissatisfied with their level of basic skills. It is undocumented but likely that historic generational gaps and misunderstandings also affect some of these results. Simply, youth are never what they used to be, and never will be. Still, for both parties, this attitude represents a fact of life which must be dealt with.

a) Preparing the Labour Force

The employer surveys illustrate a theme which recurs in many other studies. Youth are unemployed because they lack the basic personal qualities and skills to get a job, and keep it. The problem is preparation. Lessons that should have been learned at home, were never taught, or never learned. Lessons that should have deepened and broadened over time in school and in the community took shallow root and withered. How is it possible to live sixteen years, to spend eleven compulsory years in school and never learn to read or write or spell properly? For some the answer is straightforward. It is the result of learning disabilities, physical or mental disabilities, problems of new language and culture. For most, it is not. Where should the finger of fault be pointed? At the home, where more parents work, and separate, and children fend more for themselves? At the school, because education is its job? Properly or not, it is usually at the school. To point it at home would be taken as an intrusion on personal freedom. It would be telling others how to raise their kids. It would also be pointing in too many uncontrollable directions, two or three kids at a time, with unlikely results. But school can deal with thousands at once. Teachers can be paid to do the work many others have never gotten around to doing; to be accountable. So school is it.

Youth unemployment has brought the glare of attention onto the schools. In many ways, it has probably also served as catalyst for long-simmering dissatisfactions with the school system. And the glare of attention, as it does, has exposed some flaws. Employers are saying that many young people they see are not properly prepared for work. Because the shortage of overall work, unemployment, has made work seem more important, this is particularly harsh criticism. What is the proper role of education? How much is it to help prepare and socialize and orient people for all of life, and how much is it to prepare people for work itself? How much is it for students to learn how to learn and think, and how much is it for them to learn techniques and skills, to learn how to do? In hard employment times, work comes to seem more central to life, and the education debate swings predictably from the need for generic, to the need for practical, skills. The priority becomes getting a job. Hard, practical skills allow you to compete to get that job. Keeping a

job, having the capacity to expand and grow with it into new jobs, are problems for another, less urgent day. Such is the nature of the debate. Yet in many ways the debate is academic, for the abilities important as preparation for one future, are important for the other.

The whole discussion on preparation might take the form of a syllogism:

employer turns down applicant A because of inadequate skills;
applicant A acquires skills;
therefore, applicant A gets job.

It seems simple. Providing the means and acquiring the skills seem so possible; not doing so such a waste; the result so desirable. The whole course of action required seems clear and undeniable. Except that a few deductive steps are left out, and the syllogism does not work:

employer turns down applicant A because of inadequate skills;
(employer hires applicant B);
applicant A acquires skills;
therefore, applicant A does not get job (no job available).

Sometimes there is no applicant B and a job goes unfilled because no one available has the adequate skills to fill it. Moreover, an adequately trained person can make an employer more productive and competitive, and sometimes a more competitive employer will hire other applicants as well. There is a connection between preparation—home, education, training—and jobs, but it is not so direct and significant as it seems. Does that mean, therefore, that education is unimportant? No.

Education is an instrument of productivity and competitiveness. It *protects* existing jobs, and increases the pool of others. It is also the principal institutional tool we have in our society for ensuring equity. If there are fewer good jobs than people who want them, and fewer jobs period, people will compete for them, and everyone deserves a chance. To have that chance, they need the tools that the competition values. Education helps to provide the personal and basic skills an employer demands; it also provides a credential, an objective standard which demonstrates a level of competence and persistence, that employers can use to screen applicants and save themselves time. It is education that provides the necessary ticket to compete. But the searing glare of unemployment has made clear another flaw.

b) The Drop-out Problem

It came as my biggest shock as Youth Commissioner. Two years later, it feels no different. Excluding private schools, 40% of students in Ontario beginning in grade 9 do not graduate from grade 12; 76% do not graduate from grade 13; only 31% go on to college or university; only about two-thirds of them graduate. Put another way, for a medium-sized

Ontario city with 10 high schools, the equivalent of *one* school of grade 12 bound students, and one-and-one-half schools of grade 13 bound students, disappears *each year*. Students who return to school part-time as adults improve the picture slightly. But the essential problem remains.

As a high school student, I had always thought it was only the few who did not move on from year to year as we did. But that was not right. Some were streamed into one level or another, some dropped out and, out of sight, out of mind, I never noticed they were gone. The drop-out rate has improved slightly in Ontario in the 20 years since. But not much. Why?

It is something I have asked others. In the end, I have only a speculative conclusion:

Years ago, education was important but less central in our lives. Jobs in a less technological society required fewer skills, which could be learned on the job; and experience was considered a more important teacher. And except for the 1930s, there were jobs, for nearly everyone. A student could drop out of school, find a job, and make a career, having paid little or no price for dropping out. That meant, of course, there was less incentive to stay in school, and school seemed less important. Drop-out rates were high, but that was the way the system worked. There was no pervading sense of necessity among educators or the public to keep students in school; no sense of urgency when they left. A school's responsibility was for the young person so long as he or she was within its walls. If that person left, there was no need to know where he or she went, or for what. Its responsibility was over and gone.

Some vocational schools existed, but mostly school was an institution which provided academic instruction, which led in academic directions, to those who could learn in academic ways. For teachers who might offer students guidance and advice, there was little need to know about other possible directions. School was more discretionary and self-selective, a universal, but less mass institution. It was simply there for those who wanted it.

And so a system of education was in place to meet the needs and expectations of its time. Then times changed.

Society became more complex. Jobs required more technical skills. The great middle class was emerging, and the middle class dream with it. Work could be done in offices, in shirts and ties, with minds instead of bodies. But credentials and training were needed. Education was the key. Except that a massive education system was already in place which did things a certain way, and was not for everybody. More academically inclined, it was for those who could learn in an academic way, and who wanted to learn. And for those who did not, they could and eventually did go somewhere else. But now it was more important for them, and for society, that they stay.

For in time, there were fewer jobs to go to. It was harder to get inside an employer's door, to work hard and let experience be the teacher, to learn lessons not yet learned, to get that needed second chance to make a career. And unemployment rates were clear—the less education you had, the more likely that you would be unemployed. The price for dropping out had increased.

Yet, drop-out rates have changed little, just 4% in nine years. This suggests something else—that kids drop out less to take jobs (which have been harder to get), and more just to drop out. To leave; to get away. They have fallen behind gradually in school over many years; they feel lost, stupid. The law finally says they can leave, so they leave. They have been told many times—they know—that school offers an important way to something better. But, like a lot of things in their lives, that is for others, it seems, not for them. Something else, anything else, might be different. Their options on the outside, difficult to get a job or not, seem better. So they quit. Why drop out? Why not?

High youth unemployment has made the problem more urgent. Educators and the public have been looking longer and harder at what can be done inside the school to make it work better for the prospective drop-out. The result—more is now provided for the less academically oriented student. The basic core curriculum has been reviewed recently and changed in ways which better accommodate the needs of these students. Co-op education has grown and is growing. There exists in the province a remarkable variety of alternative programs and schools. Indeed, the last few years have been marked by consistently more and better programming for these students. But it is not enough. Not nearly. Measured against the problem, these efforts and those before, the total of what the education system provides appropriate to and directed at non-academic students, to meet *their* needs, is small. The high drop-out rate continues.

Why has more not been accomplished? I think it is because of the attitudes, expectations and direction of education set in another time. When times changed, and needs changed, the system could not keep up. The momentum of the past was too great—curriculum, money, organization, all vested in one direction. New needs, new money, in bits and pieces, have been added onto old but, like a great ship, the education system plows on, its course barely altered.

Today, the education system is still largely geared to the academic student. That is the way it has always been; the public dream remains the academic dream; moreover, the alternative seems defeatist. Yet the reality is that a substantial majority of students do not go on to college or university, and now, more and more, these students have educational needs of their own which may not be met elsewhere. They need skills

and credentials to compete for jobs, and keep them. They need guidance and counselling and a sense of direction. And the economy needs better prepared, more productive workers.

There is something in the psychology of the education system that gets in the way of dealing with the drop-out more effectively. The system is used to high drop-out rates. It is accustomed to being used as a service by those who want it, for as long as they want it. It is used to feeling responsibility for those within its walls, for the winners who stay on, and giving up responsibility for those harder to deal with, who leave. It is used to being judged for what it does, and not what it does not do; to having its failures measured by those who remain in school and who, when they leave, cannot properly read or write, not by the drop-outs, who are seen more often as their own failures.

Today it is just too easy for the system when someone drops out. A school board loses its portion of the general legislative grant for that student, but measured against the grinding effort and cost required to deal with difficult kids, and get results, against the apparent historical inevitability of high drop-out rates, human nature wins. School boards express genuine concern and generate studies to find answers to the problem. But the cost to the system is too small, the defensibility of the result too sure, to generate the needed outcome.

For circumstances to change, first the psychology of the system must change; then programs and money must follow. There are currently too few incentives in the system to encourage the extraordinary measures necessary to deal effectively with the prospective drop-out. The system must become *results oriented*—"success for every student", is how one educator put it. Success that is not measured in equal destinations, but in equal opportunity—to find a direction, to develop the skills necessary; to get there.

But what direction, and to get where? For the prospective drop-out, all roads seem only to lead to a sixteenth birthday, to the long waited for chance to leave. More and better programs added in bits and pieces will do little to change that. Nor will such things as the guarantee of a job to every high school graduate now proposed in New York state. It is not enough just to keep kids in school. There must, instead, be some positive direction, some goal, to strive for *inside* the school system. Something that combines academic instruction and training, off the job and on, in a rigorous, systematic way. A constructive, not defeatist, alternative to the academic path for those who learn in different ways, to prepare them properly, to encourage success rather than to reinforce failure. And importantly, a system where responsibility for the young person remains with the school system, *beyond* a sixteenth birthday, to avoid institutional easy ways out. Without such fundamental changes,

the drop-out will continue to fall through the cracks at immense personal and social cost. I will deal with this subject more fully in Part II of the Report.

c) Job Creation Programs

Youth unemployment has also brought increased attention to the role of job-creation programs. Such programs have long been used by federal and provincial governments to help deal with cyclical unemployment. Their precise function, however, is not always well understood. Like education, are job creation programs intended to prepare young people for work; or in doing so, are they intended to deliver a job as well? In other words, are they instruments of employability, or of employment? The distinction is critical.

Further confusion arises because such programs get described variously as "employment programs", "training programs" or "work experience programs". Indeed, while these names may be more properly descriptive of what the programs actually do, the literal words rarely register on a public. To the public, the matter seems simple. The problem is youth unemployment. The government has promised to create jobs for youth. These programs were announced to deal with the youth unemployment problem. They are, therefore, job creation programs, and any other description seems like bureaucratic euphemism, and is ignored. The fact, as we will see, that these programs rarely create jobs but do other important things, does not make these more precise descriptions more valid. The public understands and expects them to be job creation programs, and little is done to set straight this confusion. I have, therefore, lumped together all such programs, as the public does, not to create an artificial straw man, but to take over a straw man already created.

Several new job creation programs, involving significant increases in expenditures, have been introduced since the 1980s recession. Though they differ in detail, most operate on the same principle:

The cost of labour, at a given moment, for a given employer, makes it uneconomical to hire. If the cost of labour is reduced, by subsidy, grant, tax benefit, etc., an employer will hire. The result—a *new* job is created; one fewer person is unemployed.

The incentive to the employer lasts only a short, finite period (usually from 12 weeks to 1 year), and for the young worker no permanent job is guaranteed. But during the program period, the young person's connection to the job and to the employer is being cemented. The young person learns the demands of the job, and gets to know his fellow workers. He develops his skills such that by the time the program ends, sufficiently productive, he no longer represents to the employer an

uneconomic investment. Two other psychological elements are also in his favour: an employer is less likely to let go someone he has come to know; an employer faced with the choice of hiring him permanently or letting him go and training someone else, prefers not to go through the burden of training again.

The result—a permanent job when the program ends.

One advantage of such programs is they can be targetted to particular groups. Close examination of unemployment figures will reveal certain groups disproportionately unemployed. Youth is a good example. The numbers vary slightly, but approximately twice as many youth as adults on a percentage basis are unemployed at any time. (This is not always clear. Unemployment figures generally juxtapose overall rates, *including* youth, i.e. without the higher youth rates removed, and youth rates). Yet there can also be some constructive reasons for higher youth unemployment: youth change jobs more often, experimenting and discovering real interests; youth, more than adults, move up by changing jobs rather than being promoted from within, etc.

There may also be some overall social equity in this. If there is unemployment, who can handle its burdens better—an adult, with a home and family to maintain; or a youth, who is more likely single, perhaps even living at home? Often, however, these imbalances are not for constructive reasons, and are simply unfair. A youth rate twice an adult rate of 4% is one thing; when the adult rate reaches 8 or 9%, it is quite another, and something needs to be done. So special actions are taken which give youth an advantage to counterbalance the employment disadvantage at which they find themselves. A program is implemented, such as FUTURES, which offers to place a young person with an employer at no wage or benefit cost to that employer, the costs borne instead by a government. The employer is thus encouraged to hire a youth. The result—the adult/youth unemployment imbalance gets righted at least somewhat.

Yet a still closer look at unemployment figures will reveal that youth are themselves not homogeneous. Some youth have little difficulty in finding, and keeping, a job. Others have chronic problems. Level of education is a factor for these young people. Other factors include previous work history, physical or mental disability, criminal or welfare background, race and ethnicity. These factors can make it harder for someone to compete for a job, and with fewer jobs, more likely that he or she will be unemployed.

So further targetting may be done. Choices get made. On the whole, is it more desirable for the next job placement to go to someone who is unemployed but who has such background and skills he is likely to get a job on his own in the next few months—or to someone with fewer

skills, who likely will not? Where will the program have its biggest impact, and provide its biggest benefit? Who needs the break more? How is program money best spent? And what is fair?

Many programs, including FUTURES, have come to focus on "disadvantaged youth," as described above. Implicit in doing so, however, is recognition that such youth require more—counselling and assessment, educational upgrading, greater focus on personal characteristics and attitudes ("life skills") to give a job placement a chance for success; a longer period on the job to develop the necessary skills to become productive. All this, of course, costs more.

But the choice seems clear and well-made. There is no point in providing help, and paying for it, when it is not needed. It is better to use program money to create a *new* job, an *incremental* job, and to fill it with someone who would otherwise remain unemployed. Thus, the choice made is not in terms of who gets a job, for in different ways both get jobs—one natural, one created—but in who gets helped. And the program results are impressive—65% of young people in FUTURES get permanent jobs when the program ends; a further 5% return to school.

Yet job creation programs carry with them a bad reputation. They are seen as "make work", conjuring up in the public mind an image of the ultimate futile gesture—digging a hole, and filling it up again. Traditionally, they have been public works projects—clearing brush, cleaning up streams, beautifying parks and recreational areas. They were a way for the unemployed to fill time during the economic troughs, to pay some bills and learn a few skills. They led nowhere, but did not need to. They kept people busy, doing worthwhile things, and were constructive in their own right. Soon enough, the economy would recover and it would provide the real jobs that did lead somewhere.

But when the troughs deepened and grew longer, the image of these programs began to change. "Created" jobs, jobs to act as holding tanks until some future time, were not enough. People wanted real jobs that offered real opportunity. The economy was giving few signs it would soon create these jobs in sufficient numbers. There was a freeze on hiring in the public sector. Time spent in job programs doing public works would clearly not lead to permanent public sector jobs. Nor could the work done pass persuasively as useful training that would lead to some other job somewhere else. So governments, under pressure to meet greater needs and justify larger job creation expenditures, began to move away from a public works approach. A worthwhile job placement was one that led to a real job. The rest were "make work", or at best offered introductory training for those who needed more and which would then link up with further training. The focus of job creation programs shifted to the private sector, for only private sector employers might hire

permanently when a program was over.

The results seem obvious. Young people drop out of private sector placements less often, and more often end up with a permanent job. Some worthwhile public services may have gone undone, but these are *youth* programs, intended first and foremost for the benefit of youth. And youth, it seems, are clearly better off this way.

Yet the bad reputation of job creation programs remains. I think it mostly has to do with the failure of these programs to deliver on what is promised of them. In times of high youth unemployment, the need is for jobs. Governments, under pressure to act, respond with job creation programs. Large sums of money are expended; the explicit or implicit message to the public is clear—this is what we are doing about youth unemployment. Little, if anything, is said, at least in the youth employment context, about fiscal policy, whose impact can be far greater, or about programs to support small business and entrepreneurship, export development, etc. To the public, such policies and programs are too difficult to understand, with too uncertain results. To a government, they represent a message too hard to convey.

A job creation program is different. It is money that goes directly to create jobs. Each job costs X, the program budget is Y; the result, Z new jobs. Job programs allow the public to count the numbers and see their direct impact, person by person, on the employment figures. And because they are concrete and visible, job creation programs come to act as a metaphor for all government action on youth unemployment.

Close examination of those job creation numbers, however, reveals certain problems. First, the monthly unemployment figures from Statistics Canada do not include those persons who are already enrolled in government programs. The number of unemployed in Ontario at any one time, in fact, equals the Statistics Canada figures *plus* all those in FUTURES, Job Entry (a federal government program), and other government programs. The impact of these programs, therefore, is already factored in to the unemployment figures, and only *additional* program expenditures, and young people in the programs, will affect these rates.

Second, only a small percentage of unemployed youth can be accommodated in youth programs. FUTURES is Ontario's principal youth employment program for non-students. Its budget for fiscal 1986-87 is $133.0 M, which represents more than 90% of the total amount expended by the province for the employment and training of these youth. About 50,000 young people will participate in the program during this year.

Each person remains in FUTURES, on average, for about 13 weeks, or one-quarter of a year. The average number of young people in the program at one time, therefore, is 50,000 divided by 4, or 12,500. But the average number of young people unemployed in Ontario in 1986 (until

June) has been *138,000*. To repeat, this figure does not include those youth already in FUTURES or in other government programs. It means that FUTURES, at any one time, can accommodate only 12,500, or less than 10%, of the more than 150,500 (138,000 *plus* 12,500 *plus* other programs) unemployed youth in Ontario.

Earlier it was pointed out that nearly one-half of unemployed youth have been without work *less than* 14 weeks, and nearly one-third are students. Yet even if only the remaining one-quarter of these youth should be considered seriously unemployed, the total number requiring help—34,500 (1/4 x 138,000) *plus* 12,500 (the number in FUTURES) *plus* those in other programs *plus* those no longer looking for work and not included in unemployment figures (who would fall disproportionately in this group)—would be far beyond the capacity of current federal and provincial programs to deal with them. To reach all these youth, if it could be done, and provide something for each of them, would require the provincial *and* federal governments to more than *double* their annual youth employment budgets for Ontario. This would still leave in the monthly unemployment figures approximately three-quarters, or nearly 100,000 young people technically, if less seriously, unemployed.

The figures provided here are inexact, and a case could be made for the use of slightly different ones. But the point would remain the same. Job creation programs now, even where they function efficiently and effectively, are a limited instrument in dealing with youth unemployment.

What would happen if the federal and provincial governments did double their budgets and an additional $150.0 M and more were spent on such programs? Perhaps, not much. That has to do with the number of employers who have an interest in such programs, and the difficulty of encouraging the most disadvantaged young people to come forward and take up the placements that become available. It also has to do with the nature of job creation programs themselves. Earlier, I described the rationale on which these programs work.

An analogy might be made to a storeowner who, with excess inventory, decides to run a sale on TV sets. Sets normally priced at $600, he puts on sale at $300, and places a sign in the store window to let everyone know.

A consumer, who walks by the store day after day without ever noticing it, sees the sign, and stops. He already has a TV set, and has no real use for a new one. Still, at that price, he thinks, maybe he could find a use, in a kitchen or bedroom perhaps. So he goes in the store and buys the set. The storeowner does not receive full price for the TV, but does get something to help pay off his loan at the bank. The consumer buys what he did not think he needed, but now he has a new set and at a low cost. The result—one more TV set is sold that would not have

been sold simply because the storeowner decided to have a sale.

That is the way job programs are supposed to work.

But consider this other possibility. It involves the same store and the same sale, except this time the consumer is already in the market to buy a new TV set. His old one is broken, or was stolen, or perhaps his personal circumstances have improved and he has some money that he did not have a few months ago. He sees the sign, goes in the store, and buys the TV set. The storeowner receives some money to pay off his loan. The consumer buys what he was already intending to buy, but at a lower cost. The result—one more TV set is sold, but no more than would have been sold without the sale.

Either scenario is possible and plausible. In between, there is also at least one other in which a consumer intends to buy, but buys *earlier* than planned because of the storeowner's sale. Which scenario is real depends on the circumstances of each consumer (employer) and how the incentive offered affects each. For job creation programs it raises the fundamental question: to what extent do they affect behaviour and induce employers to do what they were not intending (and/or able) to do themselves; to what extent are they only an unnecessary benefit to employers, costly to the taxpayer, and an opportunity lost for the other unemployed who need the same subsidy to be hired? In short, do job creation programs really *create* jobs?

Literally, of course, the answer is no. A program itself does not provide a permanent job, nor does a young person receive any guarantee of permanent employment when a program ends. More often than not, though, a permanent job results. Indirectly then, it seems the answer to the question is yes. But is it a *new* job? Is it a job that would not have existed without the subsidy and what the subsidy set in motion? Or is it only a duplication that makes employment numbers go up and unemployment numbers go down but much slower than they might and without real cause and effect? What effect do job creation programs have on unemployment rates?

We do not know. Surveys of employers are considered unreliable. Even employers genuinely believing they have hired only because of an available subsidy cannot know how they would have reacted, facing a need and the jobless alternative, without a subsidy. Since we have no concrete evidence as a guide, I will venture a personal speculation—many, probably most, jobs filled as a result of job creation programs would have been filled had the programs not existed.

This is always a hard argument to make, especially to program administrators. They see a young person coming through their doors, frustrated, directionless; they see the same young person just a few months later—in a permanent job, beginning to put a life together. To

them, that is the story. But somewhere where they cannot see him is another young person, and because they cannot see him, his story is without drama and will bring no anecdote; they forget he is there. He is the kid who did not get the job because the other one did.

What this means is that current job creation programs directed at the private sector will have little impact on the current youth unemployment rate. Given the small percentage of unemployed youth involved in such programs, and the likelihood that jobs which would otherwise have been filled as well as new, incremental jobs result, it can only be so. It also means that job creation programs seem a failure. Concrete and visible, they are what they are, but they stand for something larger. They are the metaphor for all that government is doing about youth unemployment. The public expects more than marginal results. When youth unemployment rates go down, but slowly, these programs get judged not for what they are, but as what they are understood to be. And they fail, because they must. They do not and cannot deliver what is expected of them. And when they do fail, concrete and visible, they come to stand also for all that a government is not doing about youth unemployment. Their pejorative label—"make work"—remains. Not justifiable in a literal sense, it represents a sweeping comment. Millions are spent on job creation programs; youth unemployment rates remain high; therefore, job creation programs do not work. Why? Because they are "make work"; and people nod, no further explanation is necessary.

If job creation programs have value then, it must be for some other reason, one that is closer to what they are, rather than what they are taken to be. What they do, in fact, in much the same way as education, is prepare people for work. They help to make them more easily *employable*. Indeed they benefit most often those who have not been well prepared in the education system itself, and have dropped out. Such programs are *not* instruments of employment themselves, except on the margins; they are instead instruments of *equity* and *productivity*. They give another chance to those who need it to learn some skills, to compete for jobs, and keep them; to make an economy more productive. Terminology and metaphor aside, that is what job creation programs are; that is what they do; and, it is on those terms they should be judged. And on those terms, they fare much better.

This underscores the need for these programs to be properly targetted. If the circumstances of employers cannot always be known, those of the young people can. Young people with fewer skills are usually unemployed longer. Being unemployed, they have less chance to develop and practise their skills. The longer skills go unpractised, the more they deteriorate; the fewer the skills, the less easily employable the young people are. It is this downward spiral which must be broken.

Putting into programs unemployed young people who have the skills to work and who just need a job, is a waste of program money. More serious, it is a waste of precious opportunity for the rest, who are in need of every opportunity available.

But targetting means making a choice. Theoretically, it is only a choice of who gets helped, not of who gets a job, for in different ways both get jobs. But as we have seen, sometimes the two different jobs that are available, one natural, one created, are really just one and the same. It may seem strange to reward the non-achiever, through a targetted program, and penalize by exclusion those who have done more in their lives. It may also seem unfair. However, non-achieving is its own penalty, one that has been paid over and over for much of a lifetime, that will go on being paid unless something is done; and past achievement can, and likely soon will, bring its own reward. In times of job scarcity, such programs are a way of sharing the burden of unemployment, and sharing the opportunities that employment can offer.

There is an interesting irony which emerges from this discussion. Job creation programs traditionally have involved public works projects. In time, these projects created the negative "make work" image of the job programs. Recently, there has been a shift to "real work" private sector job placements which have the potential to lead to permanent jobs. Yet in a dynamic private sector job market, many program placements are likely to be mere duplications of regular hiring. In the public sector, however, where hiring is frozen, each placement would be *new* and *incremental*. It may be that as we come to understand and address unemployment as a permanent problem, we will need to think again about public sector placements, and build up the permanent structures and staff required to make them worthwhile. I will discuss unemployment as a permanent problem in Part III.

Job creation programs can help solve the youth unemployment problem *for the individual*, and the individual multiplied several thousand times. Properly targetted, they can take those left behind, train them, get them into the job queue, and more often than not into a job. But job creation programs will not solve the youth unemployment problem *as an issue*.

Originally, as discussed earlier, that was considered the function of the economy. Job programs were for the unemployed to fill time and keep busy, to earn some money and learn—until the economy put them back to work. Excepting the Depression, economic downturns were not extremely long or deep; unemployment seemed temporary, its urgency minor. But circumstances have changed.

Job creation programs have been renamed and relaunched, this time bigger and better to meet bigger needs. But the economic troughs

are deeper and longer, and unemployment seems more permanent; more people are unemployed, the urgency and needs are greater, and the task is too large and fundamentally different. Job programs have long been oversold, over-bought and misunderstood. They have so long been the metaphor for all government action on youth unemployment, they have come to monopolize the debate, and we are not sure what else to do. Always the question is the same—"How can we make these programs better?"—as if contained in a next great program idea, always just around the corner, is the solution that has so far eluded us. Instead the question should be—"How *else* can we address the problem?"

d) Related Issues

In the past year, important studies have been launched on two subjects which relate to youth unemployment. The federal government's Forget Commission is examining unemployment insurance, with its report scheduled for release in the Fall. The other study is on hours of work and overtime, by an Ontario government task force headed by economist Arthur Donner. The task force will issue its report early in 1987. I will not go into detail about either subject, leaving that to the respective committees and their reports. I will try instead to suggest briefly how each fits in to the youth unemployment picture, and what impact each might have.

The Macdonald Commission believes that the Unemployment Insurance system (UI) increases unemployment in Canada. Many economists point out that, if so, the amount of increase, while significant, is small, on the order of about 1%, or one-tenth of those unemployed. This increase is the result of many things, but significantly is a product of UI benefits sufficiently high that the normal urgency one feels in facing the hardship of unemployment is somewhat diminished. Some UI recipients, therefore, choose to remain unemployed a little longer to look for the job they want, or the job that may suit them better. This voluntary choice may benefit both the individual and the economy in the long run, but in the short run it delays a return to the work force and increases unemployment. That said, there is little suggestion, sometimes overlooked, that for many such an incentive lasts very long. UI benefits and other supports may be high enough to deflect the compelling hardship that drives one back to the first job available, but they scarcely permit a lifestyle many choose to sustain.

UI is intended mainly to provide a financial buffer against the loss of income associated with unemployment. It offers a temporary bridge to support and sustain a person over the worst parts until a new job is found. If the time period is short, as it usually is, the system works as it should and the personal and institutional burdens are small. If it takes

longer, it does not work. For UI offers *support*, but provides no real *opportunity*, and over time, support without opportunity turns into *dependence*. And dependence, personal and institutional, is too large a burden for an individual and a society to bear.

It has been suggested earlier that certain perceptions about unemployment and the strategies to deal with it may be out of date and more appropriate to another time and other circumstances. This may also be true of the UI system. Currently about $11.0 B. is paid out annually in UI benefits. This seems an enormous underutilized resource that could be turned from mere support, to opportunity—to training, educational upgrading, and the like. It should be kept in mind, however, that it is not enough for opportunity to be facilitated. If people are to be encouraged back to the system, there must be a place for them. Job programs and UI—one active, one passive--are nothing more than temporary bridges. But bridges to where? Training for training's sake, like digging a hole to fill it up, has little value. There must be a job to go to. Opportunity must have its destination.

Support and *opportunity* are recurring themes in dealing with youth unemployment, and I will return to them again later.

The Ontario Task Force on Hours of Work and Overtime is looking at work a different way. How can unemployment rates be lowered? You can expand the pie and create more jobs—through economic growth, productivity, government spending on special projects, job creation programs or new jobs outside the market economy. You can fill unfilled jobs—through improved information and placement, lower wage and job expectations, more appropriate training, incentives and supports to encourage mobility. You can limit the numbers looking for work—longer education and training, early retirement, national service (military or civilian). Or you can cut the pie differently and redistribute what you have.

Thousands of people work many hours of overtime, while thousands do not work at all. Many work full time, when they would like to work less. It does not seem fair, or necessary. What if overtime was restricted, or eliminated altogether? What if the regular work week was reduced, as historically it has been many times, from 40 hours, to 38 or 36, or lower? What effect would this have on employers and their costs, on productivity and competitiveness? What effect would there be on the economy in general and on inflation rates? Would employees be penalized through fewer benefits, and loss of seniority? Would they be willing to accept less work to let others share? And what impact would there be on unemployment rates? Would they go down, and by how much?

The logic to this course of action is compelling; the experience much less so. France and Belgium have legislated reduced work weeks in recent years with only marginal employment benefits. Simply put, the hours

of work added in new employment were far less than the number cut back from existing jobs. Historically, moreover, most reductions in work weeks have come after wars, generated by a fear of job shortages, or during good economic times when, with improved productivity and performance, employees have chosen to forego a portion of a wage increase to work shorter hours instead. In difficult times, however, when the need for such reductions is greatest, employees feel most vulnerable, and are least willing to share.

The task force report deserves careful scrutiny when it is released early next year. For despite apparent experience to date, future employment needs will make changing work patterns a more and more important and necessary subject.

Sweden, Japan and West Germany

High unemployment rates have brought us to look elsewhere in the world in search of fresh ideas and approaches. Instead, often we have found just familiar rates of unemployment, minor variations in programs and policies, and the kind of perverse solace one feels from seeing others struggle under similar circumstances. There are three countries, however, whose approach to employment and training bear examination. They are Sweden, Japan and West Germany. In no case are their approaches directly or even easily applicable to Canada and Ontario. But these countries have achieved significant results—Sweden and Japan with low unemployment rates; West Germany in training—and some useful lessons can be learned.

a) Sweden

In Sweden, the unemployment rate is about 3%; the youth rate is less than twice that figure. Comparatively high unemployment during the 1980s recession brought Sweden to implement a "youth guarantee", which gives to every young person under 20 not enrolled full-time in secondary school, the right to a place in a vocational training program or a special youth job. There is nothing particularly noteworthy about the youth job, a simple 6-month wage subsidy to private employers to hire a young person, nor about the vocational training program itself. An additional program which has received considerable attention, called Youth Team, is also part of the guarantee package. Under Youth Team, a young person unable to obtain regular employment is guaranteed 4 hours of work daily performing what are considered socially useful jobs—typically environmental or cultural, work with the young, elderly, or handicapped, etc. Yet in spite of its innovative reputation, Youth Team (except for its shorter work day) differs little from countless public

works-like projects which have been implemented in Ontario and Canada, and disparagingly passed off as "make work".

What then makes Sweden's approach so special? It is the *guarantee*. Every young person in Sweden under 20 knows that he or she has a place to go, if it is needed—to school, to a job, or through some other door that makes sense and leads somewhere. The programs that make up the guarantee are also part of a rigorous employment placement system, and that is another major difference. Indeed, such a system is a *quid pro quo* to meet the demands of the guarantee and to maintain the low unemployment rates the Swedes expect and insist on. A school-leaver at age 16 or 17 remains the legal responsibility of the same municipal authority which runs the primary and secondary schools that he or she just left. It is up to the authority to see that the young person is placed into a job or government program. At age 18, a local Employment Service Centre takes over responsibility with the same obligation. The accountability is clear; a young person knows what to do and where to go. There exists an urgency and the means to move the young person forward, and an overall sense of system that seems to all to lead in a constructive direction.

If it is the guarantee that makes the system work, it is a shared social attitude which is responsible for the guarantee being put into place. Among government, labour, business and the public, there is an overwhelming consensus on and commitment to full employment. Full employment is Sweden's number one economic priority; the Swedish people understand and accept that, programs and policies get implemented with that in mind. Consequently, when there is not full employment, the attitude is clear—it must be the economic system, its policies and programs, and not its citizens, which has failed. The system, therefore, has the responsibility to act as employer of last resort and provide a job for all who want one.

Swedish youth programs themselves offer us little that is new or interesting. It is the social consensus which spawns them, and the will and commitment such consensus engenders, that makes the crucial difference.

b) Japan

The Japanese experience is different, and is the result less of social policy than of the exigencies of their economy. After World War II, there were severe shortages of skilled labour. Companies were forced to compete for workers in a tight labour market, and to assume responsibility for their training. As part of an overall economic strategy, Japan encouraged a constant and rapid rate of technological innovation in production and management. The need to ensure a stable supply of

labour while allowing for the constant innovation necessary brought about the development of a lifetime employment system. Today, approximately 25-30% of Japan's labour force, mostly in large companies, is covered by permanent employment practices. As partial result, unemployment and youth unemployment in Japan are negligible.

Change happens and must be encouraged to happen. Japanese companies, through training and retraining, allow their workers to adapt to it, avoiding the kind of disruptive opposition that comes when change is not supported by all. There exists in Japan a shared and practised belief that a skilled labour force is the country's primary resource. Technology and capital are exportable; a trained and experienced workforce is what makes the competitive difference. It is the same message western economists are stressing increasingly as we look for ways to compete.

Low unemployment for the Japanese may seem a happy by-product of their pursuit of other economic goals. But for them a social and economic consensus about the value of labour and its role in the fortunes of the economy is central to achieving low unemployment and high levels of economic growth. It is that consensus and the actions it generates, which makes Japan's experience important to us.

c) West Germany

West Germany has long represented a training model for Canadians. After 10 years of compulsory school, at approximately age 16, German youth are given four principal options:

1. To pursue an apprenticeship-like program, called the dual system, which combines vocational training and schooling (about 60% choose this option).
2. To pursue full-time academic studies (about 20% enter the *gymnasium*, a prerequisite for university entrance).
3. To enter full-time technical school (about 10% do so).
4. To enter the labour force directly as unskilled labour (also approximately 10%).

The dual system lasts for three years. The first year involves basic vocational training; the remaining two years are for training in a specific occupation. The federal government has responsibility for on-site training and establishes the guidelines for it; Chambers of Industry, funded by the private sector and to which all employers belong, apply the guidelines. The responsibility for scholastic instruction belongs to individual states which govern the education laws.

In Ontario as in West Germany, the optional school leaving age is 16. At 16, however, proportionately more young people in Ontario attempt to enter the labour force directly as unskilled labour. The rest continue in school, but within a year or so, with credentials or without, many more drop out or graduate and also attempt to find jobs. It means that in Ontario nearly 70%, compared with Germany's 10%, attempt to get jobs directly without any formal training. Those who continue school in Ontario go on for academic (university) or technical (community college) training in percentage numbers similar to those in Germany.

Unemployment figures in Canada and West Germany are not much different. Unlike the examples of Sweden and Japan, the point here relates to training and equity and to widely different approaches taken in dealing with non-academically directed youth. In Ontario, such youth are left largely on their own. Various programs and services are available to help but, scattered and more difficult to know about and understand, they are less known and less used. It means that at a vulnerable and crucial age, 16-18, some youth are provided substantial government support (through education); for others it is hit and miss.

In Germany, there is a system provided for these youth. Universally known, widely used, it is as rigorous and appropriate to individual needs as the academically-directed system. The West German experience offers little guidance to us on unemployment. Its lessons have to do with productivity and equity, and are important ones to consider.

Policies and programs are never readily transportable. Systems and institutions differ, political and economic circumstances can be easily distinguished. But policies and programs do not need to be transportable and can be adapted in different ways to meet different circumstances, to achieve the same thing. It is the will to do these things, and the shared social attitudes and understandings that come before will and generate it, that make the difference. Sweden, Japan and West Germany do some things better than we do. How they do them is not very important. What is crucial is that they do them, why they do them, and knowing the essential elements which make them work.

Where We Stand

So where do we stand? A lot of time and effort and money have been spent on unemployment these last few years. We understand youth and employers better. We can see more clearly the impact of education and job creation programs. We are learning more about the effects of UI and overtime. We know far better who is unemployed and who is not. But while we know each part of the equation better, I am not sure we understand much better what the whole unemployment picture looks like.

I am not sure we have ever really drawn a collective bottom line, tallied up all the time and effort and money, and measured it against the problem—to see what we have done, and what we have *not* done; to see just where we stand.

The best answer, of course, comes in the economic forecasts. Yet such forecasts are so inherently speculative, that they are often discounted, if not dismissed. For how can we know the unknowable? How can we predict the price of oil, the level of interest rates, the thousand and one things, big and small, noticed and not, that can change the state of an economy. We cannot. To the public, at least, it seems that circumstances fundamentally changeable are endlessly fluid, that new things done differently from old can interrupt a course or direction and turn it around. So as we read these forecasts, we also read announcements of new programs and policies, new expenditures, new emphases and efficiencies, each directed at the problem, each a change and a reason to believe things will be different; together rendering obsolete whatever was forecast before.

Yet it does not work that way. Circumstances may be fundamentally changeable, but they rarely change fundamentally. Few factors have an impact on the economy except at the margins. A little more and better of this and that, or a little less, will affect the literal accuracy of a forecast, but not by much. A forecast offers specific figures, yet it is the *range* of results these figures suggest which is most interesting and valuable. An unemployment rate of 9.6% or 9.1% matters to those on the employment margins who are affected, but will not change how we perceive the problem of unemployment and how we choose to deal with it. But if the figures show wider discrepancies, in the ranges of 9%, or 7%, or 4%, they tell a far different story, and can and should affect us.

All this means that forecasters are telling us something we should not discount or dismiss:

During the next ten years, each day of every month in every year, on average about one million Canadians will be unemployed.

This is the collective bottom line impact of all we are now doing—in education and training, job creation, small business and export development, entrepreneurship etc. Away from the distractions, illusions and delusions of downward trends, new policies and programs—square in the eye—this is where we are going.

Is it good enough? It depends on what our goals are. Is our goal on the one hand, to solve the unemployment problem and achieve full employment? Or is it on the other hand, to generate economic growth and/or employ *more* people? They are not the same thing. Is our goal to do all that is necessary, as Sweden does, implementing essentially non-descript policies and programs but in sufficient magnitudes and

variety until the full-employment goal is reached? Or is it to do all that is *practicable*, given the way things are, given the way our system works, to do what we can and hope for the best? The polls never quite ask, and the people and their representatives never quite say. The Canadian public does say, and has said vehemently and consistently in recent years—unemployment is our number one concern and priority. The political debate on unemployment is filled with intensity and passion on the need to get things done. No one has ever stood up and said, our goal is *not* full employment. In the absence of that, the implication to and from the public is clear—our goal *is* full employment. And the assumption is that what we are now doing is directed at, to be measured against, and is intended to meet that standard.

There is also an inherent public optimism, fueled by myth, encouraged by public debate, that full employment is always just around the corner. Unemployment is an anomaly—wait until next year. But one year turns into another, and into another, and next year never comes. Except, of course, it will—next year. If forecasts are close to correct, Canada's unemployment rate will remain above 7% until at least 1995, for the twentieth consecutive year. What began as another periodic blip on the unemployment graph, has turned into something dangerously permanent. For how long does it take before anomaly turns to normalcy? And how long is it before anomaly enters our minds and becomes expectation?

At what point do the definitions get changed? We seem to be at exactly such a point. Full employment once meant what the words suggest—a job for everyone who wanted one and was able to work. During the 1950s and 1960s, this was considered consistent with a national unemployment rate of about 3%. Later, inflation increased and became a serious problem. For years, many economists have believed there exists an inverse relationship between unemployment and inflation (i.e. low unemployment brings upward pressure on costs and prices; and *vice versa*). The seriousness of inflation made this unemployment-inflation trade-off a central issue. Unemployment is a huge burden, it has been argued recently, but so is inflation. Some balance needs to be struck. The balance, this theory goes, is an equilibrium point called the NAIRU (non-accelerating inflation rate of unemployment), where unemployment rates and inflation rates are high enough but low enough to be sustainable over the long run. On either side of that point is continuous instability, the high moving higher, the low lower, ever further from the equilibrium point and at ever greater social cost.

Where the point lies is affected by the level at any time of *frictional* unemployment (the time lag between jobs), *structural* unemployment (the result of changes in technology and consumer demand), and

seasonal unemployment (a function of the seasonal nature of certain industries and jobs). The Macdonald Commission Report estimates that in Canada the NAIRU is currently between 6.5% and 8% of the labour force. (Using the same formula, the NAIRU in the 1950s and 1960s was around 4% to 5%). This rate has also been called the "natural", "normal", or "full employment" rate of unemployment. As the Macdonald Commission Report concludes, "the majority [of today's economists] now accept the view that there is little or no possibility of using expansionary demand policy to achieve sustained reductions in unemployment that will reduce that factor below the NAIRU, and they are unwilling to tolerate the inflation that would accompany such policy". Instead, the Report recommends certain ways in which the NAIRU itself can be lowered slightly.

The concept of the NAIRU means that the whole notion of full employment in Canada is in the process of being changed. The definition is different; the target has now increased from 3% to 6.5—8%. The difference in today's terms is about half a million people. This change of definition also suggests other things. Once full employment was a measure of each person's circumstances, of his or her desire or capacity to work. Full employment was self-defined, largely beyond manipulation and public policy. Now, its number has started to reflect certain broader economic circumstances and interests and, as a balancing act between cost and benefit, large numbers and small, is very much a matter of public policy decisions.

The 3.5—5% difference between the old definition and the new is made up of people who have the capacity to work and want to work, but because of some broader "public good" (lower inflation rates), find that there is no work for them nor public policy incentive to change that. The rationale seems simple: inflation places a burden on all of us; unemployment may be a greater burden, but it is felt only by a few and its burden has been significantly lightened by UI and welfare. Therefore, for the optimum social benefit and the greatest good of the greatest number, full employment should be defined at the NAIRU.

There seems a certain good sense to this. Except that it means through public policy, we are asking a small number, who can least afford it, to bear an enormous burden so that a large number, many of whom can, will receive an important benefit. And what does this small number get in return? UI, welfare, and inflation rates low enough not to eat away at both. It does not seem fair.

The Macdonald Commission Report chooses economic growth as its focus. It measures loss of work in terms of economic hardship, and notes favourably the social supports provided which limit this hardship. But loss of work means far more than economic hardship, and social

supports represent no substitute for a way of life. Why should some people have to pay such a price?

I said at the beginning that I have found unemployment an elusive problem. Elusive because of its complexity, because it is bad news and difficult news, because of the disturbing questions it raises. Once unemployment seemed an accidental and temporary by-product of industrial and social change. It seemed largely a personal problem, born of laziness and inadequate skills. Over time, it came to seem systemic and normal, a product of the regular functioning of the economy. But whatever it was, unemployment seemed to be a particular problem. Curiously, it has come to be understood increasingly as part of the economic solution. Some people, it seems, *must* be unemployed in order that all will be spared the ravages of inflation. Unemployment was normal, now it is *necessary*. It is an intentional and intended instrument of public policy.

Full employment is still the publicly accepted goal because full employment must be the publicly accepted goal. However, the definition of full employment has been changed (not by the public), and full employment now seems to mean half a million more unemployed. This change of definition is important. It reflects a change of attitude, and attitude is crucial. For as with Sweden, Japan and West Germany, it is attitude that sets the parameters and direction of what is to be done, and generates the will to do it. The price for full employment, this new definition suggests, is too high; its successful path too uncertain. Another way must be found. When you cannot cope with something, you change how you perceive it. But to whose benefit, and at whose cost? A person unemployed during a time of full employment is unemployed nonetheless.

Unemployment is elusive because it is easier to have it that way. Pinning it down makes decisive action harder to avoid. And decisive action has a price.

It is the price of sharing unemployment *burdens*—UI, guaranteed annual income, etc.—through higher taxes. Infinitely harder, it means sharing *opportunities*, in various ways creating more paid work and sharing whatever is there. There is always the near-irresistible temptation to deflect the debate from what is necessary, to what is practicable; from short-term to long-term, from employment to *employability*, pretending they are the same thing. But more and better job creation, training and education, will not provide the answer. Employability programs *will not* beat unemployment. The economy is the job creator. It can not now, it will not soon, create enough jobs.

That is where we stand.

PART II

Preparing for the Future

The focus in Part I was on unemployment. Part II will deal with work preparation and skills, especially for youth. It has been stressed earlier, it must be stressed again—employability and employment are not the same thing. Providing better education and training for young people will produce few incremental jobs. Unemployment rates will change little as a result. Yet work preparation is important for other reasons. It helps to improve productivity and protect existing jobs. It opens up opportunity for young people who are often excluded. It prepares youth to meet the changing needs of the workplace. Whether the future is lived at current high rates of unemployment or, with fundamental changes in attitude and approach, at rates much lower, the methods required to prepare youth, along the education-work continuum, are the same. So while *unemployment is the issue*, Part II represents an important sidebar.

One further note—the Macdonald Commission Report suggests that technological change will continue to cause labour disruption and dislocation, but over time result in no fewer jobs. Many futurists peering only a few years further ahead than the Commission's ten year time frame, see something quite different—work weeks 20 hours long; work and income no longer linked and tied together; work with new definitions; leisure more important. Part II, in part, will look at meeting future needs of the workplace, but cannot look that far. Futurists aim their binoculars on the future and bring it up close. They offer their vision but few hints of how things look along the way. For us, it is like standing in their future with binoculars trained back on the present, but with our binoculars turned back-to-front, the wrong way—everything in the present distant and remote; the paths between there and here apparently unconnected. No work preparation system can make so big a leap. With one eye on the future but pressing needs at every moment, it must be adaptable and meet the realities along the way.

One Eye on the Future

How can we prepare young people better for the future? What is the future?

The luxury of knowing that answer, of course, does not exist. Yet to move institutions and systems in new directions requires time and masses of energy. Billions of dollars and millions of people are involved. The commitment necessary begs a certifiable, consensual direction and vision. Without it, the impulse is to wait. But doing nothing is its own choice, one that also involves billions of dollars and millions of people, and is certifiably wrong. So what do we know and what can we do?

We know that most things about the future are unknowable because of rapid change. Indeed, it is this aspect of the future, the rapidity of change, which may be the most important thing of all for us to know. Change has been important in every generation's future. Yet the pace of change has accelerated rapidly in recent years. It is a pace now exaggerated by things able to change more quickly; by urgent competition, by change which forces other change in an endless, seemingly mindless, race.

What does change mean to us? It means disorientation and fear, and opportunity, but not in equal measure, and not for everyone equally. It means new ways of doing things, new things to learn; new jobs, new settings, new neighborhoods and friends; new wages, new status, new states of mind; new risks, new gains. It means old ways and old routines broken; old securities up in the air. Change is hard. Even as it brings progress over time, change is felt *now*. So change gets resisted. Some initiate and generate change, and triumph; some manage and cope; some cannot.

If change is so central, we must become more changeable. We must learn to adapt. For companies, it means greater flexibility. Size becomes important. The future is for the small, and the big that can learn to think and act small. For the individual, personal attitudes and skills, and ways to develop them, become crucial—the strength and self-reliance to deal emotionally with change; the basic skills that are transportable from job to job; the ability to learn how to learn. For governments, it means finding ways to encourage and generate change, and to make it easier so necessary change is not resisted.

We also know that in the future there will be greater use of innovative technology. Technology affects the pace and nature of change, but it means other things as well. It makes certain tasks more complex, and others more menial. It requires greater conceptual and numeracy skills for proper use and for interpreting the information it produces. As it takes over more and more of the manual functions of work, particularly

in manufacturing, it will push jobs in increasing numbers into the service sector and small business. Both require greater communications and interpersonal skills, to get across ideas and information effectively, to deal with people, to work in small groups as a team, to do analysis and problem-solving as the technology does the "work".

And so if we cannot know the details of a future, we can know its major trends and determinants, and some of their implications. The challenge is to see that young people are prepared properly to meet these needs. The family is central to this. Yet, with increased family breakdown and diminished family time (two parents often being in the workforce), the family is perhaps less able or willing to perform such a role. This has meant additional pressure on other societal institutions, notably the schools, to pick up the slack.

I discussed earlier the traditional academic orientation of the schools, and the problems which have resulted when the needs, expectations and rules changed. The same is true here. The schools are now to play a larger role in preparing youth for the future. Schools will be, and are currently being, judged against that standard. Yet responsibility by default is not enough. Nor is a piece by piece approach which seems to address a problem while the ship plows on towards its same destination. If the destinations are to be different, the message must be clear, and the commitment and resources necessary to get there must follow. There is also a real possibility, even with such changes, that too much has been expected and asked of the school system. Perhaps much responsibility must remain with the family, or community, and cannot be hired out. Whichever the case, education plays and will continue to play a critical role in the preparation of youth.

How prepared is the school system to meet the needs of the future? There is much to be done. The organization and methodologies which dominate in schools were designed for a time in which control, obedience and individual work were central features of the workplace and society. It was a mass education system geared to a mass production economy. "It emphasized development of the routinized skills necessary for routinized work."[2] It gave to the mass of people rudimentary skills required to operate machines. But the knowledge-based economy of the future will demand different skills, and different ways of learning. In schools, students need to learn and do in ways which practise the attitudes and behaviours considered necessary by the outside world. They will need more experience and practice in working together, developing their interpersonal and group skills, in exercising individual responsibility and accepting risk.

2. Carnegie Forum on Education and the Economy. May 1986. *A Nation Prepared: Teachers for the 21st Century*. New York

In terms of *what* students need to learn, the new *basics* for the future would seem to be communications (written and verbal skills), numeracy (number skills), analysis, problem-solving and learning how to learn. It is precisely in these areas, however, that most current criticisms of students are directed. A study conducted by the Corporate Higher Education Forum, an organization of university presidents and senior corporate executives, found that university graduates had serious weaknesses in communication skills, leadership and general administrative abilities. College placement officers cite poor communication skills as the most frequent complaint they get from employers about their graduates. For school drop-outs, serious literacy problems are frequently reported.

It is not my purpose to analyze the present educational system. Others involved in education, directly or indirectly, are able to do that better. It is my purpose to suggest some future needs which relate to education, and the urgency of change to meet them. The basic educational approach necessary applies to all students, for all students are moving into the same future whether their jobs have the same requirements or not. But some students will require more time and more money, more patience, more novel and different ways of teaching in order to learn the same lessons, and to be prepared the same way. They are the would-be drop-outs. It is the drop-out, with his or her feet, who demonstrates most eloquently what we are not now doing, and what we will need to do to prepare youth properly for the future.

Opportunity and Education

Essentially, the educational system works like this:

As a society, we believe that everyone should have a certain minimum exposure to education. Students are required, therefore, to attend school regularly until the age of 16, unless there are special circumstances. At 16, students have not reached an educational break-point as in European countries, but only an age level, and those who drop-out will have no educational credential.

But from childhood, the goal for most is something more—a college or university degree. A degree provides a ticket to the job you want, and the job to the lifestyle you want. A degree means having options, and lifelong opportunities. It brings with it status and reward. Parents, teachers and peers reinforce the goal all through a life, investing those who pursue it with interest, good-will and pride. For a college or university degree is the desirable and desired path. It is something to talk about and plan for. It is a focus for advice.

So even as we grow up and do not know what we want to do or

where to go, because we are too young to know, we know that college or university is part of the answer. It is something good for us, and good for everybody. As a society, we have made the decision to keep tuition low and make special educational loans available, on the principle that everyone who wants to go and who qualifies should have a chance to go. We make an investment in well-trained minds and get back productive citizens who can create and give back something from which many will benefit.

Yet only about one-third of high school students go on to college or university; and only about two-thirds of *them* reach their lifelong goal and get a degree.

I have spoken to many high school students. In assemblies, sometimes I ask them, "How many of you plan to leave school before grade 12?" There is laughter, and no hands go up. I ask again, "How many plan to leave after grade 12?" A few hands. "After grade 13?" Several more. Then I ask, "How many intend to go on to college?" A few *hundred* hands shoot up. "To university?" Even more.

But something happens.

College and university are not for everybody. Many young people do not have the interest or ability or discipline to handle them. I am not even certain that colleges or universities are the answer, such that if more students qualified to attend them, they should be expanded. I do feel certain, however, that for reasons of equity and productivity, society should make the same constructive investment in the 70% or so who never go to college or university.

They are kids who often share the same goal but who fall behind. Most get streamed into basic or general level programs, know the reputations of them and of themselves in them, and know that their goal will not be reached. What then becomes their new goal? What is the reason to get out of bed in the morning, to show up on time, to take an interest and work hard, to take home work that needs to be done—to care? Is it because they have to, because the law or their parents or teachers say they must? Is it to avoid the abuse of those parents and teachers? Is it because they have nothing else to do and nowhere else to go? Yes, and no. Some are reasons to get out of bed and show up, but they represent no motivation to do anything more, no reason to care. They represent no goal.

Everyone needs a goal. Everyone needs to dream. Is the goal then to stay in school a little longer to pass another grade, perhaps to get a credential, to have a better chance at a job? When no other reasons seem to work, that is what students will hear from their parents and teachers, and it will make some sense. But the jobs they want they cannot have. Dropping out in grade 11 or finishing grade 12 seems to them to

make little difference. The next step is the same—they just go out and look for the jobs that are left. Where is the goal that can mean something better? And how do they get there?

For the at-risk student, there is no well-trodden path to be talked about and planned for, no easy focus of advice. There is no real path at all. Interest, good-will and pride are notably absent. One system is provided—education. If you leave it you are on your own. No matter that you are 16 or 17 with few skills and little idea of what to do next. You had your chance.

For those who need special help, there are special programs available—for counselling, training, shelter, educational upgrading—that cover an impressive range of needs, *if* you know the programs are there, and where to find them; *if* you fit their criteria and qualify. They are there as support, to get you back on your feet and keep you there, and to enable you to take advantage of a job when the chance comes. But they represent no system.

Parents know little about them. Neither do teachers and guidance counsellors. Guidance counselling has been criticized by successive generations in almost the same words—students do not take guidance classes seriously; teachers do not know what is going on; the priority for guidance is too low. Yet guidance counsellors do know something about colleges and universities. Colleges and universities exist year after year, with little change. They provide counsellors and students with catalogues of courses and information about themselves. They develop reputations which spread and complete a picture. They represent something easy to know about. And so guidance counsellors, even with little time and priority, can guide and advise about colleges and universities.

Compare that with the circumstances of students not going to college or university. They need to look for jobs. There may be hundreds of employers in a school area, and offering only entry level jobs for these young people, one employer may seem like another. But an entry level job is a beginning, and should lead to other jobs that will require different skills and interests. What different skills and interests do these employers need, and which young people have them? Should a young person be advised to go here, or there? It is hard to know, and so it is hard to advise.

What about government programs? There are dozens of job creation programs, training programs, school upgrading, counselling and placement, federal, provincial and sometimes municipal programs, each with its own name and acronym and information sheet. These programs exist in one form or another year after year, but individually they change. New ones get created, old ones disappear. There are new program names

and acronyms to remember, new guidelines to understand; old ones to unlearn and forget. It is very confusing. This multitude of programs exists for a reason. People are different, and have different needs, so new programs are created, intended to be better and more effective, to meet those needs. And if all the programs are arranged on a page, they form a surprisingly rational pattern. But it does not seem that way to most guidance counsellors, to most young people or even to the program deliverers themselves.

To them and to the public, these programs seem haphazard and patchwork, just bits and pieces of things that may act as a lifeline, but offer no direction. This is *their* reputation, a reputation which spreads and completes the picture.

For the young person who has just dropped out of school, it is a job which offers the real direction. A job is a chance to learn the things never learned in school; to put food on the table and a roof over a head; to give life the kind of permanence and focus that permits thoughts and plans for a future. A job is solid ground, and opportunity. For a 16 year old, or a 24 year old, it means you can drop out one door, but into another. Education provides the basic preparation, and sooner or later work does the rest.

So if there is no formal government-provided system for these drop-outs, there is a system nonetheless. It is the economic system itself which, when it is functioning smoothly, expands and finds a place for those who want one. But now with more women and young people in the workforce, along with immigration, migration and technological change, it is a system that is having a hard time keeping up, especially where younger people are concerned.

Youth in the Labour Force

In 1985, 20.6% of non-students in Ontario aged 15-19 were unemployed. This compares with 12.3% and 8.8% for those aged 20-24 and 25-29 respectively. These differences are even more dramatic when individual ages are considered. In 1981 (the last year for which there are data on 16 year olds), 19.4% of those 15-19 were unemployed. For 16 year olds, the figure was *35.0%*; for those 17, *27.5%*; for 18 and 19 year olds, 17.4% and 15.6% respectively. Moreover, those who are younger have fewer skills and when employed, are more likely to get unskilled jobs. They need training to get ahead, but with fewer skills an employer must make a greater investment, and in an employer's market, what is the incentive for the employer to do so? Instead, these young people often are hired to do a particular job that may have no obvious link to another better job, and they get back from an employer little encour-

agement that anything more is likely.

The term "dead-end job" has become more and more common. It comes up often as young people try to explain why, in times of high unemployment, they reject the work that is there. It is used to describe many unskilled jobs, but is in fact less a description of a job, than it is a description of a particular job environment, a set of circumstances and an employer's attitude. It is also the cause of considerable generational misunderstanding and rancour. At any time, there are many undesirable jobs in an economy. Some jobs described as "dead-end" today, would have had no such connotation just 20 years ago. For someone middle-aged, or older, it seems inconceivable that such jobs now go unfilled. What has happened to the work ethic, they wonder? Every job has value. It is not just work for work's sake, there are new lessons to be learned in any job, or old ones to be practised and relearned. Hard work gives the chance of a new and better job, of starting at the bottom and working your way up.

There are few young people who would disagree. Indeed, youth surveys referred to earlier confirm a continuing strong work ethic. Why then, do so many jobs go rejected and unfilled? The same job, in two different times 20 years apart, can seem very different. A "dead-end" job is a job that leads nowhere. It has to do with the skills that a job demands and develops, and with a particular job environment, and that can change over time. What is the labour market at any one time? If an employee does a good job, are there better jobs available? Are employers willing to train and take a chance? What is the message an employer is delivering? Has the employer made an investment in an employee? Does it matter to the employer whether one particular employee has the job, or does that employee seem interchangeable with others? It is the state of the economy and of the labour market that will determine the answers.

A job may seem not to go anywhere, but if the job environment is positive, the employee, himself or herself, might go somewhere. But if it is not, a person feels trapped. It happens more often in an employers' market with prospective employees who have fewer skills. Twenty years ago, the job available may have been the same, but the job environment was different. There were other better jobs available for those who earned them. There was a better chance to start at the bottom and work your way up. There was a broader sense of opportunity. That sense of opportunity comes from expectations, and a feeling that you have the chance to meet them. Expectations now are different from those 20 years ago. The good life is defined in more material terms. Images of TV and other media drive home that message; parents and peers reinforce it. Young people are depicted with stereos, in cars, in a home enjoying a certain lifestyle. And the message is clear. This life is available for

you—now. A job, the right job, is the vehicle. It is the way to earn the income necessary to purchase the lifestyle. But what does that mean for jobs which pay minimum wage or a little bit more, *which do not seem to lead to something better?* And what about the young people who would fill them? It means that more jobs go unfilled, rejected by young people interested in working, but who want—somewhere in the foreseeable future—a better job and the lifestyle promised to them.

School to Work

Their expectations are too high, we say. But where do their expectations come from? And once they have them, how do they find a way to meet them, or lower them? They wait, and look a little longer for just the right job. And once they have waited, to make up for wages lost from waiting, to prove themselves right and others wrong, they wait some more. They wait until they cannot stand waiting anymore. Finally, their expectations lowered, they just want a place to start. All this takes time, of course; time without a job, perhaps at public expense, time that is mostly wasted. These young people should be taught the realities of work, it is often said. There should be closer contacts made between school and the outside world. And there should be, but for other reasons. For expectations and work realities are two different things. More young people have summer jobs and part-time jobs, more are involved in co-operative education programs, than ever before. They know much more about the realities of work, but their expectations, it seems, remain beyond what the job market can deliver.

Expectations come from somewhere else. Our society creates them, and young people adopt them. As parents, we say they are too high, in general—but not for our own sons and daughters. Expectations will change when images of the good life, who can lead it and when it can be led, also change. A job environment will change if an employer's market swings back into balance and attitudes are forced to change; when young people are sufficiently prepared themselves not to feel so trapped by a "dead-end" job. Until then, many jobs in times of high unemployment will likely remain unfilled.

After I had become Youth Commissioner, I wondered what we were really trying to do with youth programs. Some we called training programs, others provided counselling, shelter and pre-employment preparation, some were employment programs. What was it that young people needed and wanted and expected from us and them? I decided it was our role to provide something that led to something else—until it led to a job.

It does not sound like much. It may sound bureaucratically fuzzy. Yet I felt if young people could see that what they were doing today

made them better off than yesterday, and made tomorrow seem more promising, they would stick it out, and make it. And if we could not provide this, the programs had little value, and would be little used. All this is rooted in a theme which I have raised before—*the sense of opportunity*. I believe it is human nature to move always in the direction of opportunity. It is up to every society to understand this, and ignore it at its peril. Opportunity blocked in one direction will mean opportunity sought in another. It is society's responsibility to see that opportunity exists broadly and in constructive directions, or else undesirable, sometimes even illegal, paths will be followed. It is hard to get a kid off the streets, where a lot of money can be made, through drugs, prostitution and other crime, if there are few jobs available and little money to be made elsewhere. UI and welfare become opportunities themselves, however pale, if there are no others.

Where is the opportunity in our society then, and for whom? A future of technological change may mean disruption and dislocation, but it also brings great opportunity. It means a better chance for the small and quick and adaptable. But not everyone is small, quick and adaptable, and what of the rest? Unemployment in recent years has become a middle-class issue. In part, it is because middle-class parents and their children are more often unemployed. But in fact, few of them are unemployed. Why is the issue felt so passionately? I believe it is from a growing sense of loss of opportunity which has come with unemployment. It has to do with the greater urgency we feel in planning a job future, with the uncertainty of finding a job, and a job for as many hours as you want to work, in your area of training; in essence, from seeing broad youthful horizons begin to narrow, and seeing a future boundless and unpredictable seem suddenly constrained. Opportunity is surely as grand now as in recent times it seemed it was; perhaps it is more so. I am not sure, however, that it is as broad and deep, and as available to as many people.

Where is the opportunity for the young person who will not go on to college or university? Where is the something that leads to something else? It is not really there. We stream these young people in certain directions, but we do not stream them *towards* something. Co-op and other work study programs, counselling, job and training programs, apprenticeship, are all useful, but they are not nearly enough. Together they represent no visible path, no direction, no goal. They are no system.

They are too fragmented. Young people, teachers, employers, cannot see the connections between these programs, so they do not make the links between them that are necessary. For things that look like bits and pieces get used like bits and pieces, if they get used at all. We need to know where things fit in and where we are going before we will use

them properly, and get there.

We need a better trained workforce to be more productive, to compete. A well-trained elite is not enough. We also need greater equity. To do both, we will need to connect the bits and pieces—they have far more in common than they seem—and add in other pieces, but into a context, to create a real education/training system. Something that makes sense, that can be understood to make sense—that leads to something else and can be *seen* to lead to something else, easily and clearly, by young people, teachers, guidance counsellors, employers, by the public in general. We must provide a goal and an opportunity for someone 15 or 16 or older who has no other goal or opportunity.

Some critics have expressed caution about pushing the general level of education and training too high. The reality, they say, is that there are many unskilled jobs, and many fewer skilled jobs in the workplace than people might like. They fear that better preparation will raise expectations beyond what can be met, causing the disappointment and frustration that comes with underemployment. The scenario may be real, but the alternative—educating and training some and not others—is cynical and unfair. Like the concept of the NAIRU, it represents a solution of the mind. It makes sense. It is easy to argue—at a safe and comfortable distance from the problem. And like the NAIRU, it is totally blind to what our society is supposed to represent.

Without proper skills, the future is a limited place. A dead-end job is one thing; a dead-end job with dead-end skills is quite another. Trapped by both, there is little way out. But for the person who is over-skilled and under-employed, in time there may be a way.

In the past, the passage from school to work seemed almost automatic. It was not that school and work were necessarily linked, at least directly. It was more that they abutted each other—one ended, the other began. More recently, with problems on the work side, this passage has become harder, and for many there is a gap. We have come to see this as a time of "transition", where new needs must be met by special new programs, many of which have been discussed, to fill the time constructively and "bridge the gap" between school and work. Earlier I believed these programs should be linked and expanded to form a system parallel to the education system for those who needed it. I think differently now.

Education and training (including most job creation programs) are forms of the same thing. Traditionally, they have been associated with different kids, learning different things in different ways, but the distinctions are now less clear. The academic student, we say, needs a better practical base; the vocational student must have more generic skills to adapt to work changes. Education and training are also becoming

life-long needs, and more and more they are for everybody. Futurists tell us we will move from work into education/training and back again several times in our lifetime. These changes must come quickly and easily. Two systems abutting each other are not good enough. Transitions suggest beginnings and ends and break-points that must be bridged. There needs to be something more natural and automatic. It may be useful, instead, to think of education and work as a *continuum*.

An education-work continuum would encourage us to establish the place of work in education and of education in work, to the considerable benefit of both. It would also encourage the creation of an appropriate and needed system of preparation for non-academically bound students. The responsibility for such a system would lie with the education system. As pointed out earlier, the psychology of the current approach, where responsibility is given up most easily and quickly for those who are hardest to deal with, does not work. Here, responsibility would remain. Students at age 16 could look for work or continue in school as present, or decide on a third course which would offer a combination of school and work, much like the German system, over a 2-year period. The responsibility of the education system would extend to everyone 18 and under. Education would provide education/training to many, and a counselling/referral service to the rest, ensuring that they have a job, participate in a job creation program or do something else appropriate to their needs.

Such a system would connect the schools to their communities, giving education access to the broader resources it needs, resources that exist; giving the community, the beneficiaries and stake holders of this system, an opportunity and the means to better meet its needs. It would link the various education, counselling, training and job creation programs. For the prospective dropout? Until now, there has been little, practical or psychological, provided by the education system to stand in the way of failure. This is a system that encourages success. It is the something that leads to something else—it offers a sense of opportunity. The implications for these young people and for society are enormous.

PART III

Conclusions

I said at the beginning that unemployment is an elusive problem. I believe it is only when we pin it down that we can begin to address it. It is what I have tried to do in this Report. Some may find the picture I have presented to be grim, almost without hope. I do not believe it is. For nothing is so hopeless as finding hope in ways which offer none. Real hope begins as hopeless ways get understood, so that truly hopeful ways can be tried. I think we can do much better. And so I am hopeful.

I believe that the public and the federal and provincial governments are unhappy with current unemployment rates, and want to do better. I am less certain *how much* better we want to do. Instinctively, we would like everyone who wants to work and is able to work, to have a job. We want (real) full employment. Yet instinctively, we want many things, some of which, after much juggling and compromise, may not be possible. What then are our priorities? How important *is* full employment? How willing are we to trade off other things to achieve it?

I am not sure we know. The public, by opinion poll, states clearly that unemployment is its number one concern. Yet that is not the same thing as saying that full employment should be the goal. Governments express themselves through no opinion polls, but in their words would seem to share the public's concern. Yet governments have implemented policies and programs which have fallen far short of full employment. "The purpose of anything is what it does," cyberneticist Stafford Beers has said.

Does this suggest, in governments past and present, that the goal is not full employment? Or could the apparent mismatch of expressed intentions, action taken and results, be unintended, the product of a *misunderstanding* over what these policies and programs can and cannot do? In the elusive atmosphere surrounding unemployment, I am not sure we know.

This Report tries to sort out these confusions or misunderstandings so that certain fundamental questions must be faced—what are our real purposes? what is our real unemployment goal?—so that we can

and must know.

These questions need answers. It should no longer be possible to hide behind hope or misunderstanding, for too many things are becoming clear. As things stand, there will *not* be full employment in Ontario, or Canada—not tomorrow, not next year, not 10 years from now. Not everyone, not even 75% of everyone in Ontario, will graduate from grade 12—not tomorrow, not next year, not 10 years from now. That will not change unless we understand and approach these matters differently. Once such things do become clear, an answer not expressed is still an answer given. And policies and programs that are implemented do what it was their real purpose to do. Then we know.

To me, there is one central message in this Report—high unemployment in Ontario and Canada is long-term, and should be treated as *permanent*. It is a message whose implications are fundamental. The status quo is not enough. We must come to understand, and address, unemployment in a different way.

A permanent problem means permanent burdens, which are harder to bear. It means more people unemployed longer; more money spent on UI, job creation programs and other supports. It means a financial bill that will keep coming due, with economic recovery offering little respite. Over time, it will mean increasing impatience, as more unemployed and more employed become less willing to accept their burdens. The employed will grow tired and distracted; the unemployed more vulnerable. What has been given, can be taken away.

It also means recognition of a permanent dichotomy in the workplace, at least in part, and that is unfilled jobs on the one hand, and unemployed people on the other. Some of it has to do with location, of jobs and people; some of it with a mismatch of skills or inadequate job information. But often the problem is expectations, and that is more permanent and harder to address. Our society is based on the pursuit of the more and the better, on opportunity and upward mobility. High expectations are what fuels that pursuit. These expectations are both generated by our society, and necessary to it. But the *quid pro quo* is certain jobs which do not meet expectations, unfilled, at least for a time, all the time. And time is unemployment.

But most importantly, a permanent problem means the need for permanent and systemic responses. And it means the need for some philosophical underpinnings on which to base these responses. I have already discussed briefly the unemployment and training approaches taken by Sweden, West Germany and Japan, and the attitudes which underlie them. What social and economic attitudes do *we* share? Economic growth, equal opportunity, full employment—these are some of *our* shared myths. They are understood, axiomatic and, in some

accepted balance, left largely to the normal functioning of the system. But if the accepted balance is threatened, if myths conflict as well as combine, what then?

There is little need for a full employment policy, if there is near full employment, if full employment seems around every corner, without it. There is little need to think of a job as a *right*, if a job is always there. There is little need for a guaranteed annual income if there is already a satisfactory annual income for all. But if there is not, if, confusions and misunderstandings aside, tomorrow will be no different from today, if the problems are permanent, there is a need.

It is the need for an *expressed* goal, to shape a consensus around it, to do the things necessary to achieve it; and to be judged against it. Everything takes time, the reality rarely is more than progress a little more and a little better at a time—but with a stated goal, there is a clear, understood direction. A program targetted at a specific but limited problem may solve that problem, but there its impact will stop. It has no coattails. A big problem, like unemployment, needs coattails, for there is never enough money, there can never be enough programs, to deal with it effectively themselves. Job creation programs, training programs, programs to shorten work weeks, to encourage job sharing and early retirement, to keep young people longer in school and/or out of the workforce, will all help, but they represent only the sum of their parts. And the sum will always fall far short of the needs of the problem.

But where there is a consensus, a goal—full employment—and program pieces arranged to pursue that goal, something happens. There are coattails. People with different mandates are influenced; policies and programs, in areas mostly unrelated, get implemented with full employment in mind. The benefits are immeasurable. It is the power of an idea, a consensus, and of a catalytic, expressed goal.

It is what the Swedes and West Germans have done. Recognizing unemployment and training as important and *permanent* problems, they have built permanent responses into their systems. There is little noteworthy about *how* they have done it. There are surely other, perhaps better, ways to achieve the same thing. They have tinkered with and made many changes themselves. But the principles and goals, which we espouse and which they have carried out, have remained.

Perhaps in 25 years or so, work will be considered less important. Some futurists imagine that by then work weeks will have been reduced to 20 hours, and work redefined to include almost anything we do; that income and work will not be so connected as they are now. Perhaps. In any event, that is then, and this is now. And now, work is how we meet our practical day-to-day needs. It is our tool for making tomorrow better than today.

There is a great temptation to pull back at the brink. To feel apologetic about complications of issue and response; to feel intimidated by jurisdictional realities; to be embarrassed by visionary thought. To abandon the big picture of unemployment, almost without knowing it, to find refuge in the small. To allow employment to become employability; to let the short-term become long-term, and the long-term become indefinite and unclear. Instead, to suggest a routine pattern of policies and programs, in a catalogue of recommendations, which make impressive sense and seems consistent with the problem at hand; which leaves the impression and fuels the hope that if everything is enacted exactly as recommended, the result will be full employment. Yet when a bottom line is drawn under all the proposals, and their results are added together, invariably the outcome is not full employment, or anything close to it.

And so how else? What is needed first of all, *most of all*, is a clear public-political commitment to full employment. Specific policies and programs can come later, the result of consensus, where possible, and government leadership. Only by expressing a commitment to full employment can you change the focus to unemployment; only by focussing on unemployment can you give it the priority it deserves and needs. Only then do you provide a context and an urgency for matters otherwise too easily ignored or put off, matters such as job sharing, shorter work weeks and a guaranteed annual income. But if a commitment to full employment is not there, nothing else will matter much.

For the drop-out, for greater productivity and equity, an education/training system is needed. We have understood this for some time, yet little has been accomplished to this end. The German "dual system" may seem a good model, but we are not Germans, we say. In Ontario, there is not the same education/training/employer connection as in Germany. There is not the same prestige afforded the skilled worker. His wages have been lower, his future opportunities more limited. Some of these things are now changing. Relative wages and opportunities, even attitudes about such work, have improved. In our minds then, skilled training is considered a desirable path. In our hearts, we have further to go.

We have vocational and co-op education programs, yet parents fight to keep their children in the academic education stream, and many students drop out. We have job creation and training programs, yet only a small percentage of employers provide training for their employees. There is a message here. Young people, parents and employers will not commit themselves to something which, by deed if not by word, is so clearly secondary. We cannot produce first class results with a second class system, or no system at all.

The elusive trail of unemployment has taken me in many directions. It has led me to education and training, to systemic problems of the economy, to problems of family structure, family income and housing, to the impact of poverty. This pursuit has reinforced in me a sense of the connectedness of things. And over time, its many important lessons and impressions have been narrowed to just two—the importance of work; the importance of a sense of opportunity. Both are central to our practical and psychological well-being. Both are basic underpinnings of our society. With economic and social change, both are under pressure and likely will continue to be. It is time for the federal and provincial governments to reaffirm their commitments to both.

Recommendations

1. That the Premier appoint a committee of senior ministers, including the Ministers of Treasury and Economics, Education, Labour, Industry, Trade and Technology, Colleges and Universities, and Skills Development to report back to him in six months with a strategy for full employment.

2. That the Premier appoint a committee of senior ministers, including the Ministers of Treasury and Economics, Education, Labour, Industry, Trade and Technology, Colleges and Universities, and Skills Development to report back to him in six months with a strategy for an education/training system.